

Bailard Real Estate Fund Annual Fund Summary

2025



For the year ending December 31, 2025:

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2025

Bailard Real Estate Fund

HIGHLIGHTS FOR THE YEAR ENDING 12/31/2025

\$1.4 billion
\$1.0 billion

Gross/Net Asset Value¹

91%

Percent Leased²

3.8%
3.0%

Total Return, gross of fee
and net of fee, respectively³

\$31.08

NAV per Share

4.6 years

Weighted-average lease-term
for the commercial properties⁴

3 acquisitions
3 dispositions

Transaction Activity

31

Properties in the Portfolio

99%

Operating/Core Assets⁵

22%

Debt to Gross Asset Value⁶

The Bailard Real Estate Fund (the "Fund") is the Bailard Real Estate Investment Trust, Inc.

1 Values for the Fund's properties are gross of total noncontrolling interests in joint ventures of \$47.6 million.

2 Fund's leased percentage excludes land and development assets.

3 Please see pages 15 and 16 for important disclosures. Past performance is no indication of future results. All investments have the risk of loss.

4 The Fund's Commercial properties represent the portfolio's Office, Industrial, and Retail assets.

5 Per the NCREIF Property Index (NPI) definition, operating is defined as an asset that has completed construction that has achieved at least 60% leased status since the end of construction or has been available for occupancy for more than one year.

6 Per the NCREIF PREA Reporting Standards, leverage percentage is calculated as follows: the Fund's economic share of outstanding debt at par divided by the Fund's total gross assets (the Fund's economic share of gross real estate, cash and cash equivalents, and other assets).

2025 Annual Letter

Dear Shareholder,

The fourth quarter of 2025 was the Bailard Real Estate Fund's sixth consecutive quarter of positive returns after seven straight negative or flat quarters going back to Q4 of 2022. The Fund's modest total return, including income, for Q4, 2025 was 0.9%, gross of fee, and 0.7%, net of fee, identical to Q3. The Fund's total returns for calendar year 2025 were 3.8%, gross, and 3.0%, net, compared to -2.0% gross (-2.8% net) for CY 2024. Although the Fund has produced positive returns over the past 18 months and there have been encouraging signs that real estate values are stabilizing and broader market conditions are improving, the past three years have remained challenging for both the Fund and the institutional real estate investment universe. Over this period, the Fund generated a total return of -2.2% gross of fee (-3.0 net), outperforming its benchmark, the NFI-ODCE (EW) (National Council of Real Estate Investment Fiduciaries – Open End Diversified Core Equity Fund Index Equal-Weight or "NFI-ODCE (EW)"), which produced a total return of -3.8% gross (-4.5% net). The last time the Fund generated a cumulative negative return over a three-year period was 15 years ago in 2011.¹

The Fund's Q4, 2025 returns underperformed the NFI-ODCE (EW) benchmark by 7 basis points, net of fee.² Its annual net return of 3.0% outperformed the NFI-ODCE (EW) by 5 bps. Although the Fund's returns over longer time periods (3-Years: -3.0%; 5-Years: 4.7%; and 10-Years: 7.0%, all net of fee) have substantially outperformed the benchmark (by 149 bps, 204 bps, and 280 bps, respectively and net of fee), the past three years have been humbling and frustrating as macro capital markets conditions have hindered the Bailard real estate team's best efforts to get traction.¹ The Fund's outperformance over longer time horizons validates its investment

strategy and style, but the team recognizes the need to remain laser-focused on its investment and management disciplines. (Please see pages 14-15 for more information on Fund Performance.)

The last three years have been an important "reset" for private real estate after an exceptional 13-year run coming out of the Great Financial Crisis (GFC). During that period (Q4 2009 through Q3 2022), the Fund generated an annual compounded return (including income) of 9.6% and 8.7%, gross and net. Alas, those returns were unsustainable once the Federal Reserve Bank (the "Fed") began an aggressive 17-month (March 2022 through July 2023) rate hiking campaign during which the Fed Funds rate was bumped eleven times in increments of 25, 50, and 75 bps, going from a range of 0.00% to 0.25% to a range of 5.25% to 5.5%... an aggregate increase of 5.25%. The Fed then waited 14 months before initiating an "easing" cycle in September 2024. Since then, rates have been lowered six times through year-end 2025 to where they now sit at a range of 3.5% to 3.75%. The last 16 years are a fresh reminder that, what the Fed can "giveth" (i.e., low interest rates), the Fed can "taketh" away!

2025 didn't play out as we expected. A year ago, it was clear that the worst of the real estate downturn was behind us, we were in the midst of an interest rate easing cycle (generally good for real estate values and transaction activity), and a business-friendly President was about to be inaugurated. Equities markets reflected the optimism. Between Election Day (November 5, 2024) and Inauguration Day (January 20, 2025), the S&P 500 Index was up 284 points to 5,997 (4.97%). For a month subsequent to President Trump's inauguration, the market continued to climb, gaining another 177 points (2.95%) and hitting 6,174 on February 19. At that point, the market paused then moved down as traders and

¹ Gross-of-fee and Net-of-fee returns are calculated using NCREIF PREA's time-weighted return methodology quarterly. **Past performance is no indication of future results. All investments have the risk of loss.** Please see pages 14-15 for additional performance information and important risks and disclosures on the last page.

² A basis point (bp) is 0.01%.

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investors tried to digest some of President Trump's more radical pronouncements on trade and immigration. On April 2, the day President Trump designated "Liberation Day," he formally announced a full slate of tariffs on friends, foes, and trading partners the world over, and the bottom fell out: Over the next six days the market lost 688 points, down 12.1%, to 4,983 in that short period. The S&P 500 hadn't touched that level since April 2024, a year earlier. Then, on the afternoon of April 9, President Trump announced on his Truth Social media platform that country-specific reciprocal tariffs, which had gone into effect that morning, would be paused for 90 days for all countries except China. During that "pause" the S&P 500 moved steadily higher and closed at 6,225 on July 8, up 25% from its April 9 low. From that point through the end of the year the equities markets zig-zagged mostly upwards as President Trump and his team floated a multitude of trade, tax, and immigration policies. Between July 8 and December, the market hit multiple all-time highs and ended the year at 6,846, up 16.4% for the year. More impressively, the tech-dominated NASDAQ Index increased 20.4% year-over-year. In 2025, equities markets proved resilient and adaptable to the Trump administration's policy whirlwind.

Real estate, on the other hand, seemed wrong-footed by the rapid fire on-again/off-again policy initiatives. Market participants couldn't figure out with any confidence the direction of interest rates or the economy. This resulted in a stagnant transaction market as equity and debt investors moved with caution and a slowdown in leasing activity such that, in the end, 2025 didn't "feel" a whole lot different than 2024.

The labor market, like the real estate market, struggled for footing in 2025. Private sector job growth stagnated in April, with job gains by large firms offset by losses in small and medium business hiring. Government employment was also down significantly. Though unemployment at year-end (4.4%) was still low by historical standards, it was 0.4% higher than at the start of the year. We consider the labor market to be in a 'low hire-low fire' state. Youth unemployment remains distressingly high at 10.6% and the ratio between consumers

saying jobs are 'plentiful' versus 'hard to get' continues to deteriorate. Employers added 584,000 jobs in 2025... an average of 49,000 per month, a marked deceleration from 2024 and, other than during the past two recessions, the lowest pace of monthly job growth since 2003. At some point this malaise might put both consumer spending and economic growth in peril. But, so far, the U.S. consumer has been surprisingly resilient, despite teetering consumer confidence, rising goods prices, and a stagnating job market.

Over the past several years the Fund has consistently adopted a defensive posture. This has meant:

- 1) Husbanding its liquidity and minimizing the use of leverage.
- 2) Staying away from hot/pricy markets and trendy investment ideas and instead focusing on investments and metro areas with strong fundamentals that offer good relative value.
- 3) Avoiding "bidding wars" with investors that have a lower cost of capital, different approaches to risk, and/or less discipline.
- 4) Staying disciplined and nimble and maintaining control of and "optionality" in all investments.

The Bailard real estate team finds most of its investments "off-market" via an expansive network of development and operating partners and broker contacts. Further, to minimize competition, the real estate team has leaned into more moderate-sized investment opportunities (i.e., \$25 million to \$75 million) in "primary" but "non-Gateway" metro areas (often over-looked by the "big guys") with strong growth potential, solid job generation attributes, and well-diversified economic drivers.

The Fund has consistently overweighted multifamily, underweighted office, and market-weighted industrial and retail properties to manage risk, minimize capital expenditures, and moderate the impact of inflation.

This Annual Letter reports on last year's activities and the Fund's portfolio position as of year-end. Please read on for a look back at 2025 and perspectives on what lies ahead in 2026.

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PORTFOLIO POSITION

As of year-end, the Fund had a geographic market-weight in the East vis-à-vis the NFI-ODCE (EW) benchmark (28% vs. 28%). The East has been Bailard's top performing region for all time periods over the last 10 years and has materially outperformed the benchmark for the same time periods.

The Fund has, for the past several years, had a significant overweight to the Midwest (23% vs. 6% for the benchmark as of year-end 2025). The Fund leaned into the Midwest region as a buffer to the "higher-flying" coastal markets that Bailard has been mostly priced-out of. For the past three years that bet has paid off for Bailard because the region has been the second-best performer (next to the East) during the downturn. The Fund's returns on its Midwest assets underperformed the benchmark over the past 1 and 2-year time periods, but outperformed over the 3, 5, and 10-year time periods.

The Fund has consistently underweighted the West vis-à-vis the NFI-ODCE (EW) benchmark (19% vs. 43% as of 12/31/2025). For most of the past ten years, many of the Fund's peers heavily leaned-into the popular west coast "Global Gateway" markets, which became an increasingly "crowded trade" creating persistent and frustrating challenges for an investor, like Bailard, looking for good relative value. Bailard's portfolio of assets in the West outperformed the benchmark in 2025, while underperforming over the past 2 and 3-year time periods. Bailard's West region portfolio outperformed the benchmark over the 5 and 10-year time periods.

Finally, the Fund has maintained an overweight to the South (30% vs. 23%), because the Bailard Real Estate team continues to like the growth dynamics, competitive cost-of-living, and business-friendly policies of this region. For longer time periods (5-year and 10-year), the South has been the second-best performing region for the Bailard Fund, and has outperformed the benchmark's South region assets for those longer horizons.

Bailard's Midwest assets rose in value by 4.2% in 2025, worse than the East, West, and South which enjoyed

value increases of 6.4%, 5.7%, and 4.6% respectively.

Regarding property type diversification, the Fund has had a multi-year overweight to Multifamily (33% vs. 32% at year-end 2025), because Bailard has been keen on the benefits of a large allocation to apartments in a diversified core fund. That allocation has been a substantial driver of the Bailard Real Estate Fund's consistent outperformance. The team expects to maintain an underweight to Office (9% vs. 15% as of year-end 2025), given the capital-intensity of that property type. However, Office has been beaten-down relentlessly the past several years, and because the Bailard team has always prided itself on its opportunism it may, therefore, rationalize an Office investment or two in the year ahead. The Fund has a modest overweight (38% vs. 35% at the end of 2025) to Industrial and Retail (13% vs. 10% at year-end). Though the Bailard real estate team is comfortable with its current property-type weightings, it will continue to monitor and assess portfolio diversification in order to try to find and maintain best balance between risk management and return maximization.

During 2025, Bailard's real estate team completed five office leases (for 87,075 square feet), four industrial leases (for 196,921 square feet), and eight retail leases (for 17,139 square feet) aggregating to a grand total of 17 new and renewal leases totaling 301,135 square feet. Though leasing activity during 2025 was down from 2024 (28 new and renewal leases totaling 419,715 square feet), the portfolio ended the year in a solid position with commercial properties at 90.2% leased (down from 90.5% at year-end 2024).³ The Fund's multifamily assets were uncharacteristically lagging performers in 2025 with "same-store" rental revenue down 2.3% and finishing the year at 91.2% occupied (down from 93.7% at year-end 2024). At 12/31/2025, the Fund's properties, both commercial and multifamily, in aggregate, stood at 90.5% occupied (down 1.1% from 91.6% occupancy at year-end 2024).

Compared to national statistics for each property type, Bailard's vacancy stats present an uneven picture. At

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³ Fund's leased percentage excludes land and development assets.

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year-end 2025 Bailard's assets were leased as follows:

- Industrial – 95% (vs. 92.5% national average)
- Multifamily – 91.2% (vs. 91.5% national average)
- Retail – 91% (vs. 95.7% national average)
- Office – 79% (vs. 85.8% national average)

Subsequent to year-end, the Bailard real estate team signed two very important leases that had been in process for several months prior to 12/31/2025:

- Barnes & Noble at Shoppes at Knightdale – 20,005 square feet signed on January 9, 2026
- Black Diamond at South Logistics Center – 155,360 square feet signed on January 16, 2026

As a result of those two lease transactions, Bailard's Retail portfolio is now 93.1% leased and its industrial assets are, in aggregate, 99.5% leased.

As of 12/31/2025, the Fund's portfolio of assets was 99% Core/Operating, per NCREIF's definition, and 1% Development. Fund Management targets a range of at least 80% to 90% of Core/Operating properties in the portfolio for stability, steady cash flow, and to mitigate volatility. At year-end 2024, the Fund's portfolio was 100% Core/Operating.

The Fund's balance sheet remained sound with an aggregate Debt-to-Gross Asset Value (Loan-to-Value or "LTV") ratio at a healthy 22% as of year-end 2025, down from 26% at year-end 2024 and 28% at year-end 2023.⁴ In addition, the portfolio has a weighted average in-place interest rate of 5.3%, and a solid aggregate debt service coverage ratio of 3.1x (up from 3.0x at year-end 2024). At the end of 2025, the Fund had a total of \$102.6 million in cash and cash equivalents on the balance sheet (down from \$149.4 million at year-end 2024), representing 7.5% of the Fund's Gross Asset Value (GAV).⁵

The Bailard Real Estate team generated a solid flow of opportunities throughout 2025, and is enthusiastic about the three investments (highlighted immediately below) that it was able to corral in the second half of the

year. The team is quite excited about the potential for all three to add significant value to the Fund.

The "bid/ask spread" between buyers and sellers in the broader market narrowed a bit more in 2025 and allowed for a modestly higher volume of transactions across the four main property types (Multifamily, Industrial, Retail, and Office) to be completed (~\$334 billion) vs. 2024 (~\$296 billion); a 13% increase. Still, 2025's transaction volume was down 12% from the ten-year average and was way down (43%) from 2021 (a record year) when ~\$586 billion of real estate assets traded. As the new year gets underway, the team remains cautious in the face of economic uncertainty but cautiously optimistic that real estate fundamentals are improving and that the real estate market is normalizing, albeit slowly. The Bailard Real Estate team is fortunate to have a healthy amount of liquidity to start 2026, enabling the Fund to take advantage of opportunities as they are identified in the months and quarters ahead.

2025 HIGHLIGHTS

Dispositions

- Easton Commons, an office property in Columbus, OH, sold on April 17, 2025.
- Town & Country, an office property in Orange, CA, sold on April 22, 2025.
- Poplar Glen, a multifamily property in Columbia, MD, sold on July 15, 2025.

Acquisitions

- 750 Curtiss (Downers Grove, IL) land was purchased on August 14, 2025. The property is a 1.34-acre parcel entitled for 138 multifamily units; construction commenced in Q3 2025.
- El Dorado Self-Storage (El Dorado Hills, CA) land was purchased on August 29, 2025. The property is a 12-acre parcel entitled for 1,148 self-storage units and 136 boat and RV storage units; construction is scheduled to commence in early 2026.

³ Percent leased does not include any land or development properties.

⁴ Per the NCREIF PREA Reporting Standards, leverage percentage is calculated as follows: the Fund's economic share of outstanding debt at par divided by the Fund's total gross assets (the Fund's economic share of gross real estate, cash and cash equivalents, and other assets).

⁵ Market value of cash equivalents shown is before quarterly shareholder transactions. Cash and cash equivalents consists of Fund-level cash and do not include cash held at the property-level.

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- *West Willows Technology Center (Redmond, WA) was purchased on September 30, 2025. The property is a 155,830 square-foot R&D and data center facility that was 100% leased at closing.*

Operations

Following are some portfolio and asset management highlights from 2025:

- *The Shoppes at Knightdale completed 11,000 square feet of leasing, including one new lease with Cold Stone Creamery. Subsequent to year-end, the 20,000 square foot former Office Max space was leased to Barnes & Noble on a new ten-year term. With this lease, the shopping center is now 100% leased and anchored by a very strong tenant lineup including Academy Sports, TJ Maxx, HomeGoods, and PetSmart.*
- *Market Street Industrial had a strong year, highlighted by the renewal of Gulf Stream Marine, a 79,552 square foot tenant, for a seven-year term. This renewal reflects the robust demand for industrial space at the Port of Houston, particularly for rail-served properties. Market rent for the property increased 12% year-over-year. The increase in forward revenue from this renewal and rising market rents contributed to an increase in the asset's valuation.*
- *Despite persistent headwinds in the submarket, 150 Pierce achieved a significant milestone with the successful early “blend and extend” of its lease with Jewel Osco, the property’s flagship tenant. The transaction extends the lease maturity from November 2027 to November 2034—a seven-year extension that substantially strengthens the asset’s investment profile. The renewed lease incorporates annual rent escalations, providing predictable cash flow growth and enhanced lender and investor appeal. Jewel Osco’s 16-year tenure at 150 Pierce since 2008 underscores the enduring strength of the landlord-tenant relationship and the*

property’s strategic value as an essential corporate headquarters.

PERFORMANCE

The Fund posted a before-fee NCREIF-based return of 3.8% (3.0% after-fee) for the year ending December 31, 2025. The net asset value (NAV) per share of the Fund at year-end 2025 was \$31.08, up from \$30.68 at year-end 2024. Over the course of 2025, \$0.50 per share in dividends were declared and paid out.⁶

INVESTOR ACTIVITY

The Fund satisfied \$49.8 million in redemption requests during 2025. In addition, investors made \$55.3 million in new share purchases. The resulting net inflows to the Fund for 2025 totaled \$5.5 million.

The Bailard Real Estate Fund cleared its redemption queue at the end of 2024 and honored all redemption requests during 2025. The Fund begins 2026 with no outstanding redemption requests.⁷

IN CLOSING

The Board of Directors of the Fund and the Bailard Real Estate team thank you for your investment in the Bailard Real Estate Fund and your continued confidence and support. The team believes that the downturn the asset class has endured since Q4, 2022 has run its course and while there are a number of exogenous events that could knock things off course, the economy remains stable and resilient, interest rates aren’t likely to increase further, and real estate fundamentals are in relatively healthy balance. Bailard is confident that its size, structure, strategy, and style will enable it to navigate through the market’s twists and turns with a focus on managing myriad risks while doing its very best to optimize the value of the Fund’s assets. Amidst a tumultuous landscape, the team will remain disciplined, patient, and humble.

On a personal note, this is my 12th Annual Letter for the Bailard Real Estate Fund’s Shareholder Report and

⁶ Includes distributions that may be characterized as capital gains or return of capital. Please see last page for important disclosures.

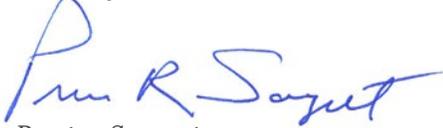
⁷ As stated in the offering memorandum, the Fund Board has discretion to honor redemption requests as well as accept new capital and investors, in order to manage cash flow for effective Fund operations. There have been times when the Fund has not provided liquidity. Past performance is no indication of future results. All investments have the risk of loss.

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it will be my last. I have been President and CEO of the Fund since August 2014 and it has been a career highlight for me to have had a hand in steering the Fund the last 11 and ½ years. We have built a terrific team of smart, motivated, and enthusiastic real estate professionals imbued with unassailable integrity and an unwavering commitment to client service. It has been a privilege to lead and work with such an outstanding and dedicated group. We have had numerous successes and a few mis-steps. But, net net, we are proud of our record. And I am absolutely delighted that my two senior colleagues, James Pinkerton and Tess Gruenstein, will be stepping up to become Co-Presidents/Co-CEOs of the Fund going forward. They have the experience, temperament, energy, and expertise to take the Fund to new levels of success. While I will stay on as a “Strategic Advisor” to the Fund and a Board member, it is James and Tess and the rest of the team that will steward the Fund day-to-day. I have utmost confidence in them, and I believe that you should too.

It is an honor for all of us on the Bailard Real Estate team to look after your private real estate investment. Thank you, again.

Sincerely,



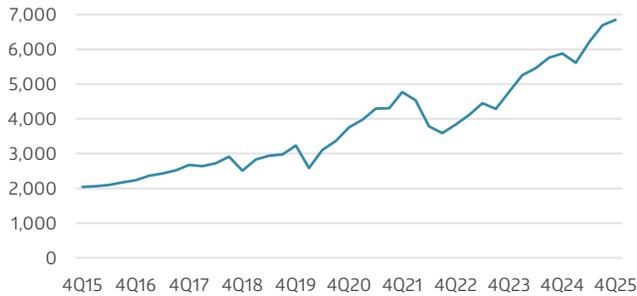
*Preston Sargent
Strategic Advisor, Real Estate
Bailard, Inc.*

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Real Estate Economic & Market Conditions

quarter ending 12/31/2025

S&P 500 Index¹



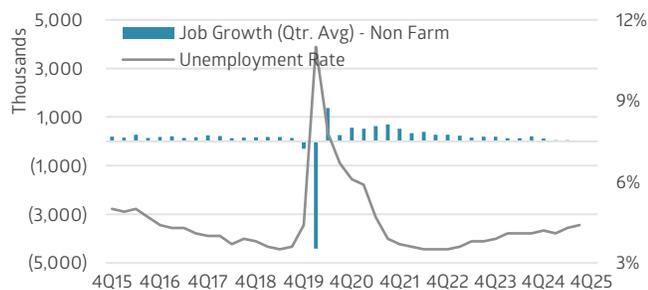
- The S&P 500 finished 2025 at 6,846, up 2.3% from the previous quarter and 16.4% year-over-year.
- In 2025, ten out of the eleven S&P 500 sectors posted positive returns. The top-performing sectors included Technology (+24.6%), Communication Services (+23.0%), and Industrials (+19.5%).

Real Gross Domestic Product (GDP) Growth



- *Note: Q4 2025 GDP data remains pending due to the prolonged government shutdown in Fall 2025. This analysis reflects data through Q3 2025.*
- GDP grew 2.3% year-over-year in Q3 2025, 210 basis points² less than the annualized Q3 rate of 4.4%, reflecting gains in consumer spending, exports, and government spending, all offset by decreased investment.
- The U.S. economy maintained steady momentum in 2025, with annualized GDP growth through Q3 of 2.50%.

Job Growth and Unemployment Rate



- Q4 ended with a net loss of 67,000, bringing total 2025 job gains to 584,000, a 144% quarter-over-quarter decline, and 111% below the same period last year.
- Job growth slowed sharply, with payrolls falling 173,000 in October, followed by modest gains of 56,000 and 50,000 in November and December, driven by tech sector layoffs and government shutdown concerns.
- Unemployment ended 2025 at 4.4%, up 30 bps from year-end 2024, but 10 bps below its November peak.

U.S. Treasury Yields

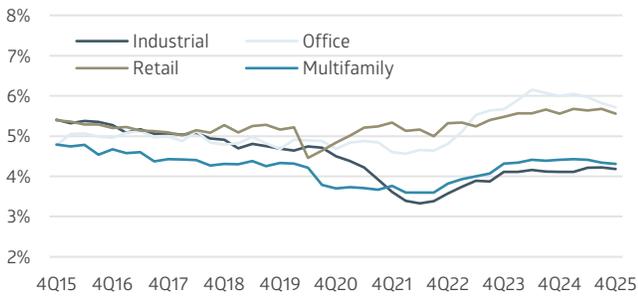


- The 10-Year Treasury finished Q4 at 4.17%, up 2 bps since Q3 and 41 bps lower than year-end 2024.
- The 2-year Treasury ended 2025 at 3.47%, down 13 bps since Q3 and a decrease of 78 bps year-over-year.
- The 3-month Treasury finished at 3.67%, down 35 bps from Q3 and 70 bps lower than Q4-end 2024.
- The spread between 10-year and 2-year increased to 70 bps at year-end, up from a spread of 33 bps last year.

Sources: FactSet, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Federal Reserve Bank of St. Louis. Please note data sources have been updated, and figures may differ from prior Shareholder Reports.

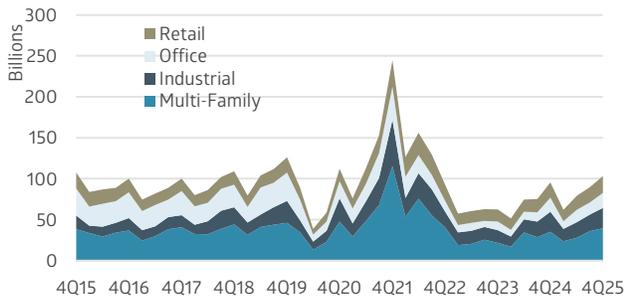
¹ Returns of the S&P 500 Index are presented as price change only. ² A basis point (bp) is 0.01%.

Capitalization Rates³



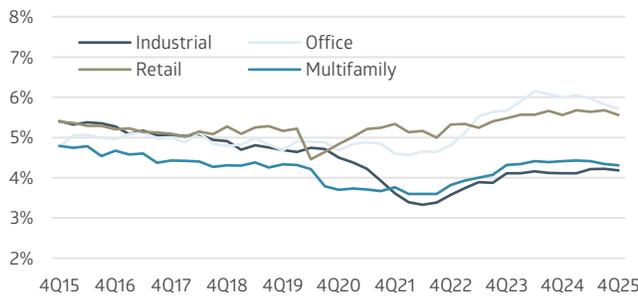
- According to NCREIF, cap rates at the end of Q4 for industrial, office, retail, and multifamily properties were 4.2%, 4.3%, 5.6% and 5.7%, respectively.
- During the quarter, office and retail cap rates fell by 10 bps, while industrial and multifamily cap rates held steady.
- Compared to 2024, cap rates for office properties saw the biggest delta, with a 30-bp decrease from 6.0% to 5.7%.

Investment Volume



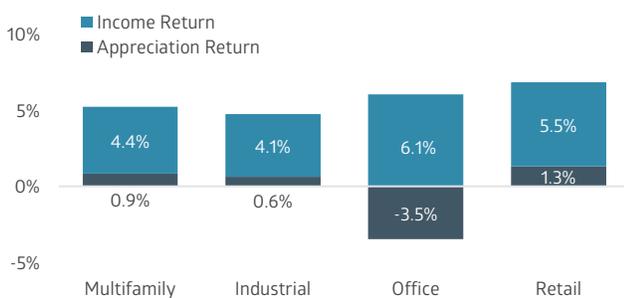
- Once again, the multifamily sector contributed the greatest share of the total volume in 2025 with \$126.8 billion (37.9%), while the industrial sector was second at \$79.5 billion (23.8%).
- Compared to 2024, office saw the largest year-over-year growth in transaction volume with a 25.5% increase from 2024; retail was second with an 11.8% rise in volume year-over year.

Gateway vs. Non-Gateway Cap Rates⁴



- During Q4, “Global Gateway” cap rates remained flat from last quarter at 4.5%.
- “Non-Gateway” cap rates compressed 10 bps to 4.6%.
- In Q4 2025, the spread between “Global Gateway” and “Non-Gateway” cap rates was 10 bps, which is 10 bps tighter than both Q3 2025 and Q4 2024.

One-Year Performance, NFI-ODCE Unleveraged Property Returns⁵



- During Q4, the NFI-ODCE Equal-Weighted Index (ODCE Index) had a 0.97% return comprised of a 1.00% Income return and a -0.03% Capital Appreciation return.
- For 2025, the ODCE Index had a one-year return of 3.73%, with appreciation of -0.33% and income at 4.07%.
- Retail had the best one-year performance in 2025 with a total return of 6.90% and multifamily was second with a 5.26% total return; industrial and office had a 4.77% and 2.44% return, respectively.

Sources: CoStar, NCREIF.

³ A property's capitalization rate, or cap rate, is a measure of its Net Operating Income relative to its market value.

⁴ Gateway Markets include BOS, CHI, DC, LA, NY, and SF in the NCREIF National Property Index (NPI), and Non-Gateway reflects all other markets in NPI.

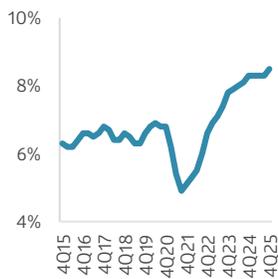
⁵ As of 12/31/2025. Unleveraged property returns reflect the performance of the underlying properties, without the impact of property debt. Please see important information regarding the NCREIF Fund Index - Open-End Diversified Core Equity (NFI-ODCE) on the last page. For reference, the Baillard Real Estate Fund's unleveraged property returns for the same period were: Multifamily, 0.91% (Inc: 4.21%, App: negative 3.20%); Industrial, 6.48% (Inc: 4.60%, App: 1.81%); Office, 8.00% (Inc: 5.63%, App: 2.27%); and Retail, 10.17% (Inc: 6.56%, App: 3.44%).

Multifamily

In 2025, U.S. multifamily demand declined, with annual net absorption dropping -18.4% from 2024 to 433,758 units. Meanwhile, supply outpaced demand for the fourth consecutive year, as 525,271 new units were completed in 2025. This pushed vacancy up 20 bps from 2024 to 8.5%, well above the 10-year average of 7.0%. Rent growth remained muted, with average asking rents increasing 0.8% from 2024 to \$1,771 per unit. Absorption over the coming quarters is projected to steadily reduce the nation's elevated vacancy rate. Although the overall vacancy rate is set to fall in 2026, rent growth will recover gradually, with progress limited by continued weakness as the surplus supply accumulated over the past two years is absorbed.

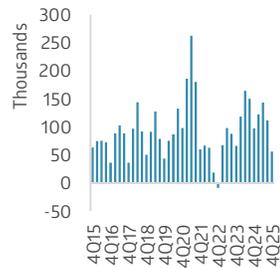
VACANCY

As of Q4, 25: **8.5%**
 10-Year Avg: **6.8%**
 Qtr/Qtr Change:
+20 bps



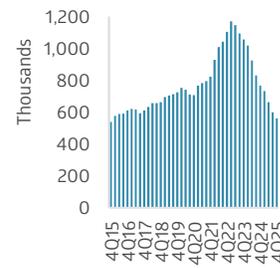
ABSORPTION

As of Q4, 25: **56,000 units**
 10-Year Avg: **95,000 units**
 Qtr/Qtr Change:
-56,000 units



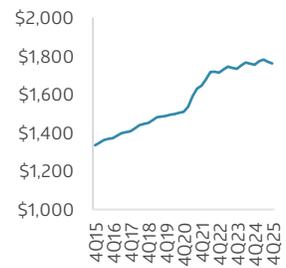
CONSTRUCTION

As of Q4, 25: **562,000 units**
 10-Year Avg: **775,000 units**
 Qtr/Qtr Change:
-37,000 units



RENT

As of Q4, 25: **\$1,761/month**
 10-Year Avg: **\$1,576/month**
 Qtr/Qtr Change:
-0.5%



Industrial

Activity returned to more typical levels in 2025, following a historic tenant demand surge in 2021-2022 and a cooler period in 2023. Net absorption rebounded in Q4 2025 to 66 million square feet (SF), the year's high, after falling to -6 million SF in Q2 amid tariff-related uncertainty. Concerns over new tariffs and shifting trade policy delayed tenant expansions and leasing decisions, especially in import-dependent logistics and distribution markets. Vacancy rose for a third year to 7.5% at year-end 2025, up 60 bps year-over-year and above the 10-year average of 5.4%. Asking rents ended the year at \$12.20/SF, a 2.3% increase from 2024 and the slowest growth of the past decade. While demand improved in the second half, new supply continued to outpace absorption, keeping vacancy elevated. Trade policy volatility remains a risk, and onshoring has proven difficult—even in sectors like semiconductors and defense—due to project delays, labor shortages, and rising costs.

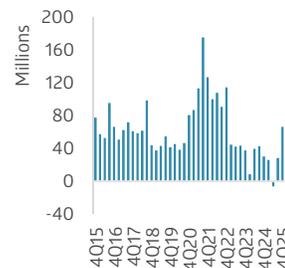
VACANCY

As of Q4, 25: **7.5%**
 10-Year Avg: **5.3%**
 Qtr/Qtr Change:
0 bps



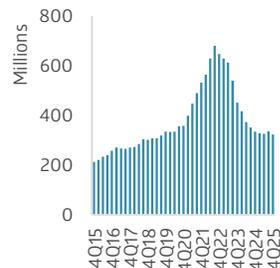
ABSORPTION

As of Q4, 25: **66 million SF**
 10-Year Avg: **62 million SF**
 Qtr/Qtr Change:
+38 million SF



CONSTRUCTION

As of Q4, 25: **323 million SF**
 10-Year Avg: **381 million SF**
 Qtr/Qtr Change:
-14 million SF



RENT

As of Q4, 25: **\$12/SF (NNN)**
 10-Year Avg: **\$10/SF (NNN)**
 Qtr/Qtr Change:
0.0%



Office

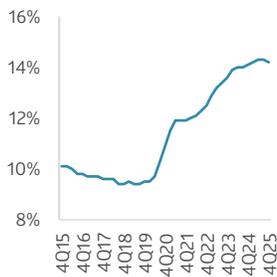
Nationally, the office sector continued to face headwinds in 2025, with vacancy rates rising to 14.2%—two bps higher than year-end 2024, and 263 bps above the ten-year average. Despite ongoing challenges, the sector saw a positive sign: net absorption reached its best level since the onset of the COVID-19 pandemic, closing 2025 at negative 1.2 million SF. New development has slowed dramatically, with only 51.0 million SF under construction, a stark 10-year low and well inside the decade-long average of 120 million SF. At the market level, coastal Gateway metros like New York City and San Francisco experienced a notable uptick in Class A office leasing, propelled by a resurgence of return-to-office mandates among Fortune 500 companies and the momentum of an AI-driven tech boom. Looking ahead in 2026, investors can expect office values and cap rates to stabilize as investment volume continues its upward trajectory with a 25.5% year over year increase.

VACANCY

As of Q4, 25: **14.2%**

10-Year Avg: **11.4%**

Qtr/Qtr Change:
-1 bps

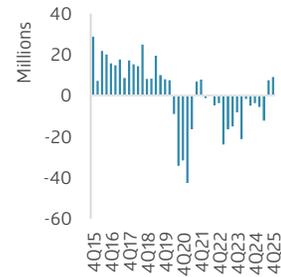


ABSORPTION

As of Q4, 25: **9 million SF**

10-Year Avg: **0 million SF**

Qtr/Qtr Change:
+1 million SF

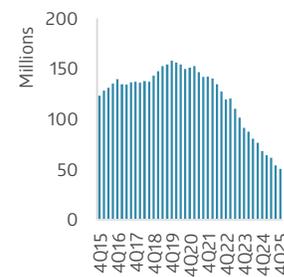


CONSTRUCTION

As of Q4, 25: **51 million SF**

10-Year Avg: **123 million SF**

Qtr/Qtr Change:
-3 million SF



RENT

As of Q4, 25: **\$37/SF (Gross)**

10-Year Avg: **\$35/SF (Gross)**

Qtr/Qtr Change:
+0.2%



Retail

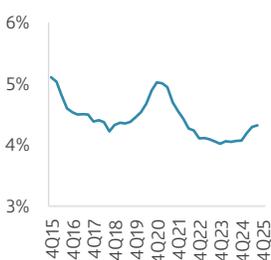
The U.S. retail sector closed 2025 with a national vacancy rate of 4.3%, up a modest 23 bps year-over-year, but still below the 10-year average of 4.4%. Net absorption turned negative in the first half of 2025 at -439,000 SF, the first decline since 2021 and a sharp shift from 2024's 18.9 million SF, driven largely by bankruptcy-driven closures. Leasing activity successfully rebounded after July, and CoStar expects leasing momentum to build into 2026, as retailer bankruptcies ease and store closures decline, reducing the pipeline of future move-outs. Construction activity continued to slow, with 51.0 million SF underway at year-end, well below the 10-year average of 60.0 million SF. Despite early-year headwinds, investment volume rose 11.8% year-over-year to \$70.7 million, surpassing the 10-year average of \$67.0 million, signaling steady investor confidence. Looking ahead, retail fundamentals are expected to remain stable but increasingly bifurcated, with capital focused on prime, experiential, and necessity-based assets amid evolving consumer behavior and e-commerce trends.

VACANCY

As of Q4, 25: **4.3%**

10-Year Avg: **4.4%**

Qtr/Qtr Change:
0 bps

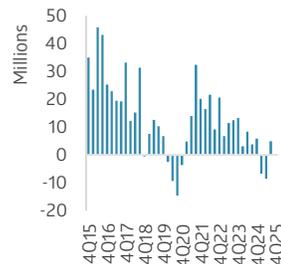


ABSORPTION

As of Q4, 25: **11 million SF**

10-Year Avg: **12 million SF**

Qtr/Qtr Change:
+7 million SF

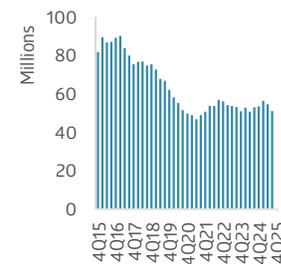


CONSTRUCTION

As of Q4, 25: **51 million SF**

10-Year Avg: **62 million SF**

Qtr/Qtr Change:
-3 million SF



RENT

As of Q4, 25: **\$26/SF (NNN)**

10-Year Avg: **\$23/SF (NNN)**

Qtr/Qtr Change:
+0.3%



Sources: CBRE, CoStar Group. Please note that any published revisions to previous quarters' data have been included.

THE LOOK AHEAD

Note: With the Bailard Real Estate Fund's leadership transition completed January 1, 2026, Tess Gruenstein and James Pinkerton (BREF Co-CEOs) share their outlook for the year.

As the Bailard Real Estate team enters 2026, we do so cautiously optimistic about the prospects for real estate investment. After several challenging years of valuation declines, we are seeing continued signs of a real estate recovery. The Fund delivered positive returns for the year with valuations stabilizing. Transaction volumes, while still below average, indicated that investors are cautiously returning to the market. The debt markets are open and available for financing. New supply deliveries have peaked, and construction starts have all but halted. The potential for cap rate compression remains on the horizon as investors adjust return expectations for a lower near-term interest rate environment which should help fuel growth. These are all positive signs for 2026.

When it comes to the broader economic picture, there are reasons for muted optimism. The S&P 500 had a fantastic year in 2025, a performance driven largely by tech stocks and the AI frenzy. The personal tax provisions of the One Big Beautiful Bill Act should deliver a bump in economic stimulus in 2026, following the significant tax breaks it will provide in the first half of the year as taxpayers file their returns. The labor market, however, is a bit more nuanced. On the positive side, unemployment has shown signs of resiliency, ending the year at historically low levels. However, there has been stagnant job growth coupled with net outmigration, and large-scale tech sector layoffs, indicating that demand for labor is weak.

The economic outlook is shadowed by several headwinds and very real uncertainties. The global geopolitical environment remains complex, with several significant events already observed in the early weeks of 2026. Domestically, political disruptions could emerge, and any developments that compromise the Federal Reserve's independence—particularly as the Federal Reserve approaches its upcoming leadership

transition—would be consequential for real estate fundamentals and capital markets more broadly. Many investors are wary of equity market valuations, raising questions about whether the robust equity returns of 2025 can be repeated. Should the much-discussed AI bubble burst, the technology sector—which drove 2025's stock market gains—could experience a correction. A deterioration in employment figures from current levels would further erode consumer confidence and economic growth.

Despite these uncertainties, the Fund's strategic positioning and disciplined investment approach remains unchanged and should aid us in navigating what lies ahead. We will continue to focus our efforts on three key areas. We remain laser focused on active asset management of our existing portfolio, with particular emphasis on optimizing cash flow and maintaining cost controls. Secondly, we will pursue strategic new investments across the United States, leveraging the Fund's operational nimbleness and deep market expertise to identify and acquire assets that complement our existing portfolio and meet our return criteria. Finally, we remain committed to the disciplined divestment of select properties as they reach the end of their investment life cycles, allowing us to redeploy capital into higher-returning opportunities.

While Preston's recent retirement represents a leadership transition, the Fund continues to be managed by the same group of experienced professionals that helped build the Fund's track record of strong performance over the last ten years. The Fund will continue to be managed under the same style, investment philosophy and disciplined approach as it has always been. We consider our team to be well-positioned to navigate market uncertainties and deliver attractive risk-adjusted returns to our investors.

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Fund Performance

The Fund's Net Asset Value (NAV) at December 31, 2025 was \$31.08 per share, following a \$0.15 per share quarterly dividend. The Fund's quarterly NCREIF-based return including Income was 0.9% (gross) and 0.7% (net of management fee). For the year ended December 31, 2025, the Fund earned a 3.8% gross return and 3.0% net return.¹

During the fourth quarter, 17 of the Fund's 31 properties experienced gains in value between 0.1% and 3.1%. Six saw decreases of 0.5% to 4.9%, and eight remained unchanged.

Meadowville Distribution Center in Chester, VA, increased in value by 3.1% to \$46.8 million (\$133/SF), driven by strong leasing demand. The robust market activity led to a 25 basis-point reduction in the discount rate, reflecting lower perceived leasing risk. 750 Curtiss in Downers Grove, IL, increased by 2.9% to \$14.3 million (\$103k/unit) due to the project nearing completion of its precast concrete installation, marking the first major milestone in the development.

The largest percentage valuation decline at quarter-end occurred at Norwell Stop & Shop in Norwell, MA, which contracted in value by 4.9% to \$21.5 million (\$361/SF). The value decline resulted from a decrease in Stop & Shop sales and an increase in yield rates. La Morada at Weston in Weston, FL, dropped by 1.8%

to \$117.0 million (\$319k/unit) due to anticipated roof replacement costs. Plantation Colony in Plantation, FL, decreased by 1.4% to \$76.6 million (\$300k/unit) due to lower market rents.

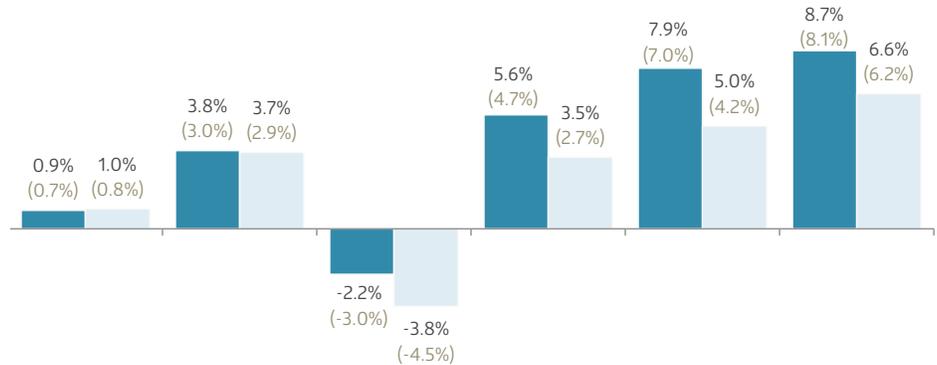
Sources: Bailard, NCREIF.

¹ Gross-of-fee and Net-of-fee returns are calculated using NCREIF PREA's time-weighted return methodology quarterly. The Fund's underlying performance results are calculated using National Council of Real Estate Investment Fiduciaries' (NCREIF) methodology and reflect the impact of leverage, interest, and dividend income from short-term cash investments and publicly traded real estate investments, as applicable. Please see additional detail and important information regarding the Fund's performance results and methodology on the last page. Specific investments described herein do not represent all investment decisions made by Bailard. It should not be assumed that investment decisions identified and discussed were or will be profitable. Past performance is no indication of future results. All investments have the risk of loss.

Bailard Real Estate Fund Total Returns²

FOR PERIODS ENDING 12/31/2025

- Bailard Real Estate Fund
Total Return, Gross of Fee
(Net of Fee)
- NFI-ODCE (EW) Index
Total Return, Gross of Fee
(Net of Fee)



	Qtr	1-Yr	3-Yr	5-Yr	10-Yr	Since Inception (4/90)
Bailard Fund, Gross of fee	0.9%	3.8%	-2.2%	5.6%	7.9%	8.7%
NFI-ODCE (EW), Gross of fee	1.0%	3.7%	-3.8%	3.5%	5.0%	6.6%
Relative Performance, Gross of Fee	-6 bps	+10 bps	+157 bps	+207 bps	+284 bps	+211 bps
Bailard Fund, Net of fee	0.7%	3.0%	-3.0%	4.7%	7.0%	8.1%
NFI-ODCE (EW), Net of fee	0.8%	2.9%	-4.5%	2.7%	4.2%	5.7%
Relative Performance, Net of Fee	-7 bps	+5 bps	+149 bps	+204 bps	+280 bps	+246 bps

Sources: Bailard, NCREIF.

² Please see last page for important disclosures. Gross-of-fee and Net-of-fee returns are calculated using NCREIF PREA's time-weighted return methodology quarterly. Relative performance shows how many basis points the result was above or below the benchmark, rounded to two decimal places.

Past performance is no indication of future results. All investments have the risk of loss.

2025 PROPERTY PERFORMANCE ATTRIBUTION

To help illustrate the drivers of performance, the exhibit below reflects the absolute, investment-level income, appreciation, and one-year return for the year ending December 31, 2025. For calendar year 2025, the aggregate investment-level net return across the portfolio was 4.7%. The bar chart weights each asset's investment-level net return by its percentage of the portfolio's equity value at year-end,² providing insight into the relative contribution of each asset to the portfolio's overall return.

Property	Property Type	Income	Appreciation	Investment-Level Net Return ¹	% of Property Portfolio Equity ²	Weighted Contribution
Highland Business Park	Industrial	4.6%	2.1%	6.8%	10.6%	0.7%
Shoppes at Knightdale	Retail	8.6%	9.7%	18.9%	3.6%	0.7%
Georgia Trade Center	Industrial	5.1%	4.2%	9.4%	6.9%	0.6%
District 237	Office	10.3%	4.5%	15.1%	3.3%	0.5%
Market Street Industrial	Industrial	3.8%	14.2%	18.3%	2.7%	0.5%
Fullerton Industrial	Industrial	5.3%	-0.9%	4.5%	10.0%	0.5%
Meadowville Distribution Ctr	Industrial	5.7%	9.1%	15.2%	3.1%	0.4%
Charter Colony	Retail	8.0%	12.8%	21.5%	1.3%	0.3%
Westport Industrial Portfolio	Industrial	5.3%	-0.7%	4.6%	5.2%	0.2%
Waterville Industrial	Industrial	4.0%	9.7%	14.1%	1.7%	0.2%
Junction Drive	Other	5.3%	6.4%	12.0%	2.0%	0.2%
Mansfield Stop & Shop	Retail	6.4%	0.9%	7.4%	2.4%	0.2%
Brookfield Reserve	Multifamily	6.0%	0.1%	6.1%	2.8%	0.2%
Lowa46	Multifamily	6.1%	-0.5%	5.6%	2.9%	0.2%
C&E Lofts	Multifamily	5.9%	0.7%	6.7%	2.4%	0.2%
Grand at Saginaw	Multifamily	1.3%	5.8%	7.1%	2.1%	0.2%
C&E Flats	Multifamily	5.0%	-0.7%	4.3%	3.0%	0.1%
Perimeter East Data Ctr	Other	-6.1%	12.1%	5.6%	2.3%	0.1%
Flying Cloud	Office	2.4%	3.3%	5.8%	2.4%	0.1%
Nottingham 7941	Office	11.4%	-1.6%	9.7%	0.8%	0.1%
West Willows Technology Ctr	Other	2.7%	0.1%	2.8%	4.2%	0.1%
Town & Country	Office	2.6%	7.2%	9.8%	0.0%	0.0%
M Street	Retail	2.1%	0.8%	2.9%	1.3%	0.0%
Norwell Stop & Shop	Retail	5.7%	-4.5%	1.0%	2.4%	0.0%
El Dorado Self-Storage	Self-Storage	0.0%	2.3%	2.3%	0.4%	0.0%
Easton Commons	Office	-3.0%	4.6%	1.7%	0.0%	0.0%
150 Pierce	Office	3.7%	-4.7%	-1.0%	0.9%	0.0%
750 Curtiss	Multifamily	-17.5%	4.0%	-14.2%	1.2%	-0.1%
Fairview Park	Office	-1.6%	-8.3%	-9.8%	1.2%	-0.1%
Poplar Glen	Multifamily	2.8%	-9.7%	-7.1%	0.0%	-0.2%
South Logistics Ctr	Industrial	2.1%	-5.5%	-3.4%	5.0%	-0.2%
Plantation Colony	Multifamily	2.9%	-7.9%	-5.2%	4.1%	-0.2%
La Morada at Weston	Multifamily	0.8%	-5.8%	-5.1%	6.3%	-0.3%
Beck46	Multifamily	0.7%	-19.9%	-19.3%	1.5%	-0.3%

¹ As measured by the NCREIF-based, investment-level net of fee return, which is a combination of income and appreciation and does not include the effects of cash held by the Fund. While net of advisory fees borne by the individual property, the returns do not include the effects of fees paid to Bailard, Fund-level cash, or Fund expenses, such as audit, tax, legal, and accounting. Investment-level returns are calculated in accordance with the NCREIF methodology as follows: Income is equal to net investment income divided by the beginning of period net asset value and time-weighted contributions and distributions; Appreciation is equal to capital appreciation and debt depreciation divided by beginning of period net asset value and time-weighted contributions and distributions; and the Total investment-level return is equal to net investment income plus capital appreciation, debt appreciation, and divided by beginning of period net asset value and time-weighted contributions and distributions. A property's income return is not the distributed income to the investor. The sum of the income return component and appreciation return component may not equal the total return due to the time weighting (i.e., chain linking) of component quarterly returns. Returns for properties acquired during 2025 are not annualized. Furthermore, the Aggregate Portfolio Investment-Level Return may not equal the sum of the weighted contributions due to partial period treatment of properties acquired during the year. Investment-Level returns are not, and are not intended to represent, any past or future returns or distributions made by the Fund to its shareholders. Past performance is no indication of future results. All investments have the risk of loss.

² Property Portfolio Equity is the sum of each property's market value less debt and minority interests. The percentage represents the individual asset's weight in the portfolio.

Fund Overview

As of December 31, the Fund's property portfolio was 91% leased, down from 92% at Q3 quarter-end and down from 92% one year ago.¹

At the portfolio's multifamily assets, total Net Operating Income ("NOI") decreased by 30.0%, year-over-year (Q4 2025 vs. Q4 2024) due to the sale of several multifamily assets. Measured on a "same-store" basis, multifamily NOI increased by 2.5%, year-over-year. (The same-store calculation excludes The Grand at Manor and Gwinnett Apartments, sold in Q4 2024, and Poplar Glen Apartments, sold in Q3 2025.) NOI at C&E Lofts in St. Paul, MN, grew by 40.2% due to a year-end real estate tax adjustment which occurred in December 2024. The Grand at Saginaw in Saginaw, TX, increased its NOI by 15.6%. Plantation Colony in Plantation, FL, saw its NOI rise by 14.4% due to decreased insurance costs. Partially offsetting these increases was La Morada at Weston in Weston, FL, which experienced an NOI decline of 8.6% resulting from reduced occupancy during the stair and landing replacement project.

Year-over-year, total NOI at the Fund's office properties declined by 34.2%. Same-store office NOI decreased by 22.5% year-over-year. The same-store calculation excludes three properties: Easton Commons in Columbus, OH, and Town & Country in Orange, CA, which were both sold in Q2 2025, and Highland Pointe in Lombard, IL, that, in Q4 2024, was transferred to the Fund's joint venture partner. NOI at 150 Pierce Road in Itasca, IL, contracted by 81.8% primarily due to Jewel Osco's recent lease renewal which included

Fund Summary

AS OF 12/31/2025²

Property Portfolio	\$1259.5 mil.
Cash and Cash Equivalents ³	\$102.6 mil.
Restricted Cash ⁴	\$1.8 mil.
Other Assets	\$4.0 mil.
Gross Asset Value ⁵	\$1,367.9 mil.
Debt ⁶	\$306.8 mil.
Dividends Payable	\$4.8 mil.
Other Liabilities	\$15.7 mil.
Net Asset Value (NAV)	\$1,040.6 mil.
Noncontrolling Interests in Joint Ventures	\$47.6 mil.
Fund's Net Asset Value	\$993.0 mil.
Current NAV/Share	\$31.08
Dividends Paid/Share (Quarter) ⁷	\$0.15
Dividends Paid/Share (Trailing Twelve Months) ⁷	\$0.50
Number of Properties	31
% Core / Operating	99%
% Leased ¹	91%
Residential	91%
Office	79%
Industrial	95%
Retail	91%
Other (Data Center)	78%
Self-Storage	N/A
Weighted Average Remaining Lease Term (SF)	4.6 years
Industrial	4.2
Retail	7.1
Office	4.6
Other (Data Center)	3.4
Self-Storage	N/A

¹ The Fund's leased percentage is based on NCREIF-PREA Reporting Standards life cycle categories, which excludes non-operating assets such as land, development assets, and assets that completed construction, are less than 60% leased, and have not reached one year after construction completion. Lease percentage is calculated as of quarter-end and is weighted by the Fund's legal share of the gross real estate value.

² Unaudited year-to-date financial statements available upon request.

³ Includes cash held by the Fund and properties. Market value of cash equivalents shown is before quarterly shareholder transactions.

⁴ Includes cash held by the Fund and properties. Balance includes restrictions and escrows held for property taxes, insurance, capital and leasing expenditures, security deposits, and obligations relating to loan covenants. Market value of cash equivalents shown is before quarterly shareholder transactions.

⁵ Values for the Fund's properties are gross of total noncontrolling interest in joint ventures of \$47.6 mil.

⁶ Debt is shown at fair market value at quarter-end.

⁷ Includes distributions that may be characterized as ordinary income, capital gains, or return of capital.

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a rent abatement period. Nottingham 7941 in White Marsh, MD, experienced an NOI drop of 71.2% due to Prometrics, the sole tenant, vacating in October 2025. Fairview Park in Falls Church, VA and Flying Cloud in Eden Prairie, MN partially offset these declines. Fairview Park's NOI grew 151.6%, driven by continued free rent burn-off and tax savings from a successful 2025 tax appeal. Flying Cloud's NOI increased 49.2%, reflecting improved occupancy levels.

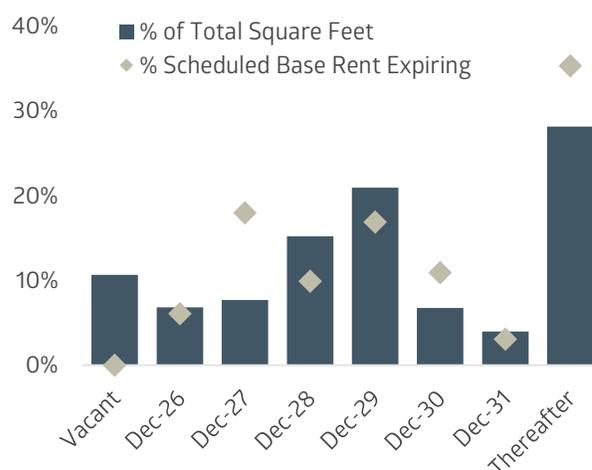
At the portfolio's industrial assets, total year-over-year NOI decreased by 14.3%. Same-store industrial NOI declined by 5.9% year-over-year. The same-store calculation excludes South Mountain Industrial in Phoenix, AZ, which was sold in Q4 2024. NOI at Westport Industrial Portfolio in St. Louis, MO, dropped by 68.7% primarily due to non-payment of rent from Nova Marketing Services, Westport Industrial Portfolio's largest tenant. Market Street Industrial in Houston, TX, experienced an NOI reduction of 62.4%, primarily due to a timing mismatch between tenant billings and property tax payments. Partially offsetting these declines were South Logistics Center in West Valley City, UT, and Georgia Trade Center in Savannah, GA, where NOI increased by 51.0% and 50.1%, respectively. South Logistics Center did not require year-end expense recovery adjustments in Q4 2025 as it did in Q4 of last year and recorded late rent revenue in Q4 2025. Georgia Trade Center's increase is a result of an operating expense reimbursement adjustment that occurred in Q4 2024.

The portfolio's retail properties' NOI decreased by 1.6% year-over-year on both a total and same-store basis. Shoppes at Knightdale in Knightdale, NC, increased its NOI by 1.0%.

The portfolio contains three data center properties classified as "Other": Perimeter East Data Center in Dunwoody, GA, Junction Drive in Annapolis Junction, MD, and West Willows Technology Center in Redmond, WA. Perimeter East is currently vacant

Upcoming Lease Expirations

EXCLUDING RESIDENTIAL



Top 10 Tenants

AS OF 12/31/2025⁸

Tenant	Property Name	% of Portfolio Revenue
AT&T Services	West Willows Technology Center	4.8%
CDK Global	District 237	3.6%
Engineered Floors & Pentz Str	Fullerton	3.6%
Lowe's Home Centers	Georgia Trade Center	3.3%
Stop & Shop	Mansfield Stop & Shop; Norwell Stop & Shop	3.2%
CCBCC Operations	Meadowville Distribution Center	2.6%
SFC Global Supply Chain	Fullerton	2.3%
Jewel Food Stores	150 Pierce Road	2.1%
Lone Star Integrated Distribution	Market Street Industrial	2.1%
Northrop Grumman	Junction Drive	1.9%
Total Top 10 Tenants		29.5%

⁸ Top 10 tenants measured by annual base rent relative to total portfolio gross revenue.

Specific investments described herein do not represent all investment decisions made by Bailard, are for illustrative purposes only, and are not necessarily representative of investments that will be made in the future.

and West Willows was purchased in Q3 2025. Junction Drive is 100% leased and its year-over-year NOI increased by 6.8%.

LEVERAGE

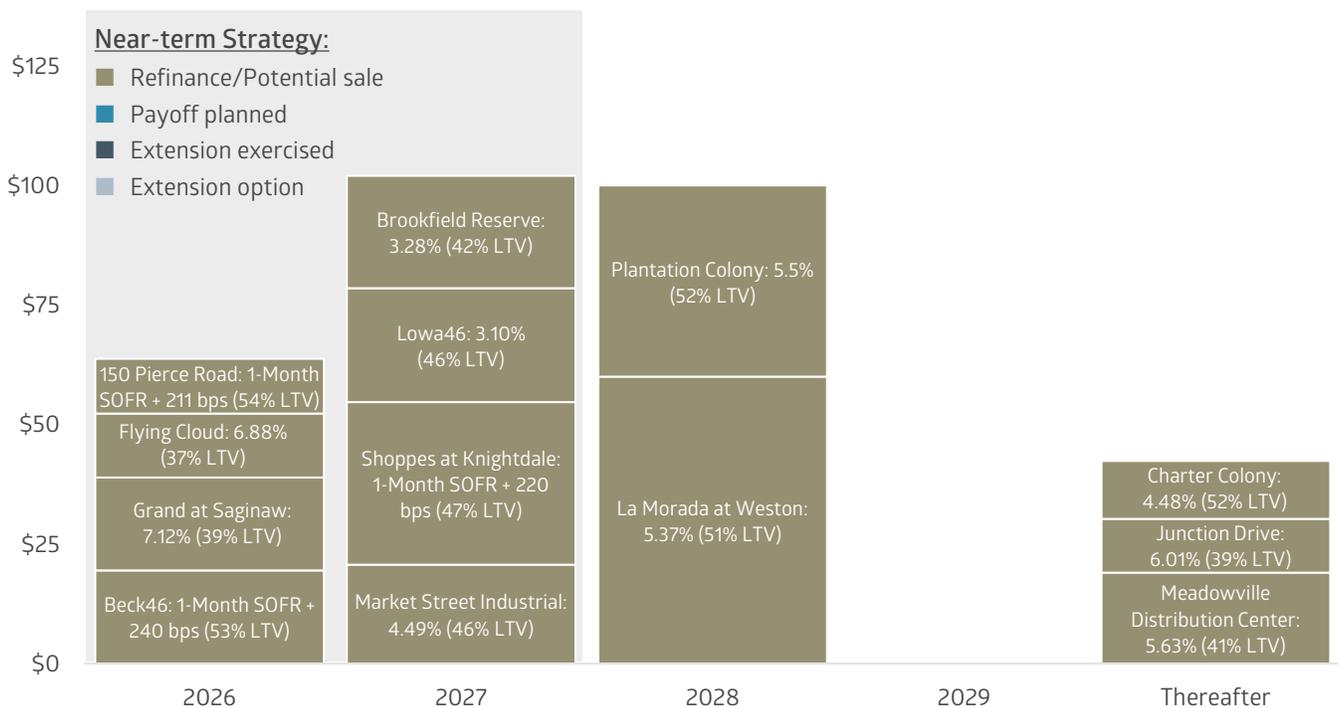
As of December 31, the Fund had leverage totaling \$308.1 million at par (\$306.8 million at fair value), amounting to an aggregate Debt-to-Gross Asset Value ratio of 21.7%, up from 21.6% at the end of the previous quarter but significantly lower than where it stood at the end of the fourth quarter of 2024: 26.3%.⁹ Individual property Loan-to-Value (“LTV”) ratios ranged from 37% to 54%, with the average LTV on encumbered properties at 47%, down from 49% at the end of the fourth quarter one year ago. The Fund’s in-place weighted average interest rate was 5.3% at the end of the quarter, down from 5.4% at Q3 quarter-end and down from 5.4% one year ago. The quarter’s impact of marking-debt-to-market was -0.01%.

Leverage Statistics

AS OF 12/31/2025⁹

Debt Outstanding (Fund’s Economic Share)	\$281.0 mil.
Debt to Gross Asset Value	21.7%
% Fixed Rate Debt	81.4%
Property Portfolio Debt Service Coverage Ratio	3.1x
Weighted Avg. Interest Rate	5.3%
Fixed Rate: Weighted Avg. Remaining Term	2.4 years
Floating Rate: Weighted Avg. Remaining Term	0.9 years
# of Unencumbered Properties	18

Debt Maturity Schedule⁹ AT PAR, AS OF 12/31/2025



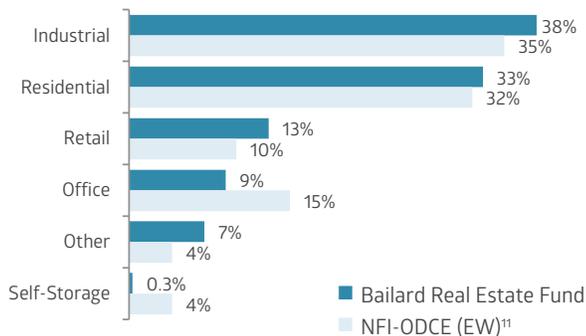
⁹ Per the NCREIF PREA Reporting Standards, leverage percentage is calculated as follows: the Fund’s economic share of outstanding debt at par divided by the Fund’s total gross assets (the Fund’s economic share of gross real estate, cash and cash equivalents, and other assets). Chart reflects shaded areas for each encumbered property’s debt at par scheduled to mature in that year, in millions, along with its interest rate and loan-to-value ratio; further detail on individual assets is available in the Property Key Statistics & Status section. There is no guarantee that planned strategies regarding debt maturities can or will be achieved.

Debt Maturity Schedule⁹ AT PAR, AS OF 12/31/2025

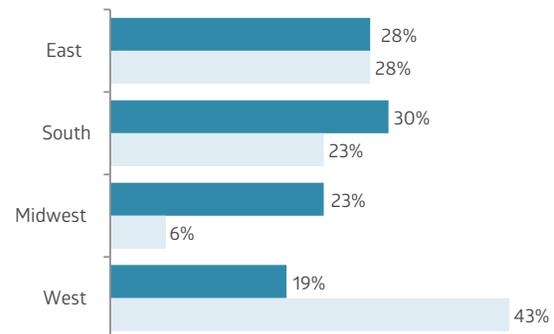
Property Name	Debt Balance		Maturity Date
	Full Market Value (\$mm)	Economic Share (\$mm)	
150 Pierce Road	\$11.5	\$9.2	Apr-2026
Flying Cloud	\$13.4	\$12.7	May-2026
Grand at Saginaw	\$19.4	\$12.8	Sep-2026
Beck46	\$19.5	\$15.0	Nov-2026
Brookfield Reserve	\$23.5	\$18.8	Jan-2027
Lowa46	\$23.9	\$21.5	Jan-2027
Shoppes at Knightdale	\$34.0	\$28.1	Feb-2027
Market Street Industrial	\$20.7	\$20.7	Oct-2027
La Morada at Weston	\$60.0	\$60.0	Jun-2028
Plantation Colony	\$40.0	\$40.0	Sep-2028
Meadowville Distribution Center	\$19.0	\$19.0	Mar-2030
Junction Drive	\$11.3	\$11.3	Aug-2030
Charter Colony	\$12.1	\$12.1	Jun-2032
Total	\$308.1	\$281.0	

DIVERSIFICATION

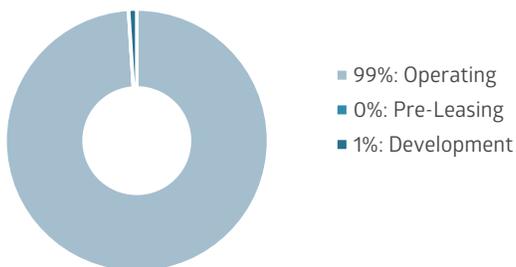
Property Type



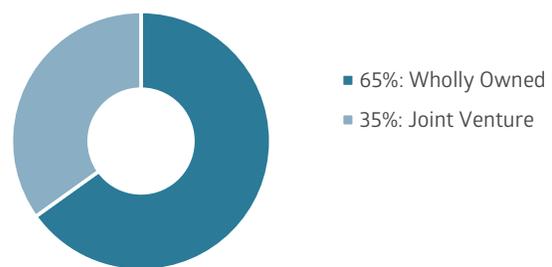
Geography



Property Life Cycle¹²



Investment Structure



⁹ Per the NCREIF PREA Reporting Standards, leverage percentage is calculated as follows: the Fund's economic share of outstanding debt at par divided by the Fund's total gross assets (the Fund's economic share of gross real estate, cash and cash equivalents, and other assets).

¹⁰ Diversification metrics calculated based on the current quarter's appraised value and the Fund's economic share in the gross real estate.

¹¹ The NCREIF Fund Index - Open End Diversified Core Equity is a fund-level index of open-end commingled funds pursuing a core private real estate investment strategy and qualifying for inclusion in the NFI-ODCE based upon certain pre-defined index policy inclusion characteristics. The NFI-ODCE (EW) shows what the results would be if all funds were treated equally, regardless of size.

¹² Based on NCREIF-PREA Reporting Standards life cycle categories.

Shareholder Activity

In the fourth quarter of 2025, the Fund received \$4.7 million in share purchases and granted \$18.5 million in redemption requests, resulting in \$13.8 million in net outflows for the quarter.¹ All shareholder redemption requests received during the fourth quarter were satisfied effective December 31, 2025.

Critical Shareholder Communication Dates

Redemption requests due ¹	Mar 2, 2026
Purchase requests due	Mar 20, 2026
Dividends paid to shareholders of record as of	Mar 27, 2026
NAV declared and shares issued	Mar 31, 2026
Funds for purchases need to be received by our transfer agent by	Mar 31, 2026

Fund Management

As acknowledged earlier in this letter, Tess Gruenstein and James Pinkerton officially assumed their co-heads roles of BREF as of January 1, 2026. Preston Sargent retired from his prior role as President and CEO and will remain engaged with BREF through his new role as Strategic Advisor and BREF Board Member. Alex Spotswood will continue to play a critical role within the Fund following his important contributions over the last nearly ten years. The completion of the leadership transition reflects extensive planning and collaboration across the team.

Before moving forward, the Fund would like to pause to honor the memory of Ron Kaiser. As a co-founder of Bailard, Ron was instrumental in the firm's inception and long-term development. His influence reached well into the broader industry through his work as a researcher and his involvement in various professional organizations. While Ron was a respected voice in the real estate research community, he was equally known within our firm for his reliable and thoughtful perspective. His presence as a member of the Fund's Board of Directors and his legacy as a founder will be greatly missed.

Many shareholders will have seen Clayton Hagy's name in recent months, reflecting his transition into a Private Markets Associate role on the real estate team, where he works closely with the Fund's clients, custodians, and fund managers. Prior to joining Bailard in 2022, Clayton worked as a financial analyst for a Bay Area multifamily real estate broker. He earned a BS in Economics and a BA in Philosophy from Saint Mary's College of California.

The Fund is also pleased to announce the hire of Neha Desai as a Vice President, joining Bailard's New York office. Neha comes to Bailard from Hines, where she was a Senior Director of Asset Management focused on the adaptive reuse of a six million square foot office and retail portfolio in a historic neighborhood. Neha's prior experience includes roles at Tishman Speyer and O'Connor Capital Partners. Neha will be responsible for sourcing new acquisitions and managing existing investments primarily in the Northeastern region.

¹ As stated in the offering memorandum, the Fund Board has discretion to honor redemption requests as well as accept new capital and investors, in order to manage cash flow for effective Fund operations. There have been times when the Fund has not provided liquidity.

Commitment to SRII

The Fund remains dedicated to the broad integration of Sustainable, Responsible & Impact Investing (SRII) practices across acquisition, asset management, and portfolio management. Through portfolio-wide policies and processes, SRII considerations are embedded as a vital component of the Fund's strategies and actions. This approach not only supports return enhancement and risk management, but also aims to "future-proof" the Fund.

The Bailard team applies best practices at both the Fund and individual property levels. With a focus on tenant safety and community building, the Fund actively monitors energy and water usage to promote responsible resource management.

ENVIRONMENTAL HIGHLIGHTS

- All of the Fund's properties are now monitored via Measurabl.
- All multifamily properties and commercial properties where the Fund controls utilities are now tracked on Energy Star.
- Waste collection tracking implemented at 10% of Fund properties.
- 2026 goals:
 - Increase reporting to 100% for all landlord-controlled utility accounts into Measurabl.
 - Improve GRESB score via increased data collection, waste management collection rollout, and internal policy development.
 - Install solar panels at two industrial properties to offset energy usage with onsite renewables.

Initiative Update: Global Real Estate Sustainability Benchmark (GRESB)

The Fund completed the 2025 GRESB assessment in a continued effort to monitor and improve upon the Fund's SRII goals. This represented the fourth year of participation in the GRESB assessment with overall scoring for 2025 improving by six points compared to 2024.

Primary improvements for the year came from better data collection across the portfolio. Key areas for improvements include property-level technical assessments to help outline physical property improvements, building certifications where appropriate, and renewable energy developments.

SOCIAL HIGHLIGHTS

- Ongoing focus on resident resources, in-person tenant and community events, and employee charitable efforts through the Bailard Foundation.
- The Responsible Contractor Policy reinforces the importance of well-trained, fairly compensated workers.
- 2026 goals:
 - Formalize multifamily management best practices to help ensure consistent and fair treatment across markets.
 - Enhance tenant satisfaction through programs that support sustainable, healthy properties.

GOVERNANCE HIGHLIGHTS

- 100% of properties are valued quarterly by MAI-certified appraisers and reviewed by an independent third-party appraisal management group.
- 2026 goals:
 - Maintain high standards in Board governance and transparency through clear, consistent shareholder communications.
 - Continue regular review of governance practices to support long-term stewardship.

Portfolio Summary & Property Updates

Location (MSA)	Investment	SF/Units	% Leased ¹	% Change From Previous Carry Value ²
Residential				
Chicago	750 Curtiss	138 units	N/A	2.9%
Dallas/Ft. Worth	Grand at Saginaw	235 units	94%	-0.5%
Ft. Lauderdale	La Morada at Weston	367 units	81%	-1.8%
Ft. Lauderdale	Plantation Colony	255 units	96%	-1.4%
Milwaukee	Brookfield Reserve	193 units	96%	0.4%
Minneapolis-St. Paul	Beck46	143 units	94%	0.0%
Minneapolis-St. Paul	C&E Flats - Multifamily	118 units	97%	1.2%
Minneapolis-St. Paul	C&E Lofts	103 units	96%	0.2%
Minneapolis-St. Paul	Lowa46 - Multifamily	147 units	95%	0.4%
		1,699 units	91%	-0.6%
Industrial				
Houston	Market Street Industrial	395,725 SF	100%	0.1%
Orange County	Fullerton Industrial	254,750 SF	100%	0.0%
Philadelphia	Highland Business Park	569,893 SF	100%	0.0%
Richmond	Meadowville Distribution Ctr	353,044 SF	100%	3.1%
Salt Lake City	South Logistics Center	328,607 SF	53%	-0.7%
San Diego	Waterville Industrial	101,435 SF	100%	2.0%
Savannah	Georgia Trade Center	416,450 SF	100%	1.0%
St. Louis	Westport Industrial Portfolio	651,009 SF	95%	-0.7%
		3,070,913 SF	95%	0.4%
Office				
Baltimore	Nottingham 7941	57,782 SF	0%	0.0%
Chicago	150 Pierce Road	181,228 SF	88%	0.0%
Minneapolis-St. Paul	Flying Cloud	201,495 SF	86%	1.3%
San Jose	District 237	76,410 SF	100%	1.1%
Washington, DC	Fairview Park	117,065 SF	37%	0.0%
		633,980 SF	79%	0.8%
Retail				
Boston	Mansfield Stop & Shop	74,383 SF	100%	0.0%
Boston	Norwell Stop & Shop	59,519 SF	100%	-4.9%
Minneapolis-St. Paul	C&E Flats - Retail	11,636 SF	76%	0.0%
Minneapolis-St. Paul	Lowa46 - Retail	49,545 SF	93%	0.0%
Raleigh	Shoppes at Knightdale	323,113 SF	94%	0.9%
Richmond	Charter Colony	71,741 SF	100%	0.8%
Washington, DC	M Street	11,031 SSF	20%	1.7%
		600,968 SF	91%	0.0%
Other				
Atlanta	Perimeter East Data Center	88,000 SF	0%	0.0%
Baltimore	Junction Drive	96,666 SF	100%	1.0%
Seattle	West Willows Tech Center	155,830 SF	100%	0.2%
		340,496 SF	78%	0.4%
Self-Storage				
Sacramento	El Dorado Self-Storage	1,284 units	N/A	2.3%
TOTAL PROPERTY PORTFOLIO: \$1,259,452,000			91%	0.0%

All data as of 12/31/2025.

¹ The Fund's leased percentage is based on NCREIF-PREA Reporting Standards life cycle categories, which excludes non-operating assets such as land, development assets, and assets that completed construction, are less than 60% leased, and have not reached one year after construction completion. Lease percentage is calculated as of quarter-end and is weighted by the Fund's legal share of the gross real estate value.

² Carry Values are gross of total noncontrolling interest in joint ventures of \$47.6 million. Previous Carry Value is equal to the previous appraised value plus capital spent since that appraisal. Recent acquisitions are carried at cost until first appraisal, which may include closing costs in addition to the purchase price. Specific investments described herein do not represent all investment decisions made by Bailard. It should not be assumed that investment decisions identified and discussed were or will be profitable. Specific investment advice references provided herein are for illustrative purposes only and are not necessarily representative of investments that will be made in the future.

Residential



750 Curtiss

750 Curtiss St, Downers Grove, IL 60515
Acquired August 2025

The Fund, in partnership with LCI Development Partners and Conor Real Estate, broke ground on 750 Curtiss in August 2025. The project has progressed substantially, with precast concrete walls for the two-story parking structure now erected and mechanical, plumbing, and electrical systems installation underway for the ground-floor duplex units. Equity funding is expected to be fully deployed by the second quarter of 2026, with construction financing extending through project completion in the second quarter of 2027.

Residential



Beck46

4020 Nawadaha Blvd, Minneapolis, MN 55406
Acquired May 2022

Beck46 achieved stabilization in Q1 2025 and ended the year at 94% occupancy, up from 89% at year-end 2024, despite typical winter leasing challenges in Minneapolis. In the second quarter, the Fund secured an 18-month extension on the construction loan with Wells Fargo. The property's high-quality unit finishes and amenity offerings have been well received, with strong resident satisfaction. The property generated a -19.3% total return in 2025, primarily driven by -19.9% appreciation as higher discount rates weighed on valuations.*

While occupancy is expected to remain strong, rent growth is likely to be muted, reflecting broader trends in the multifamily sector.

Residential



Brookfield Reserve

13701 W. Bluemound Road, Brookfield, WI 53005
Acquired September 2017

Brookfield Reserve maintained stable occupancy and achieved a 64% renewal rate, reflecting strong resident retention. The property benefited from a 25 bps discount rate reduction early in the year and steady market rent appreciation. The Fund will continue to prioritize resident satisfaction with targeted capital improvements, primarily appliance and carpet replacements. Management is evaluating refinancing strategies ahead of the loan's January 2027 maturity, and also monitoring the adjacent development of Brookfield Reserve Phase II for potential impacts and opportunities.

Total investment-level net return ended at 6.1%, consisting of a 6.0% income return and 0.1% appreciation return.*

Residential/Retail



C&E Flats

735 Raymond Avenue, St. Paul, MN 55114
Acquired May 2016

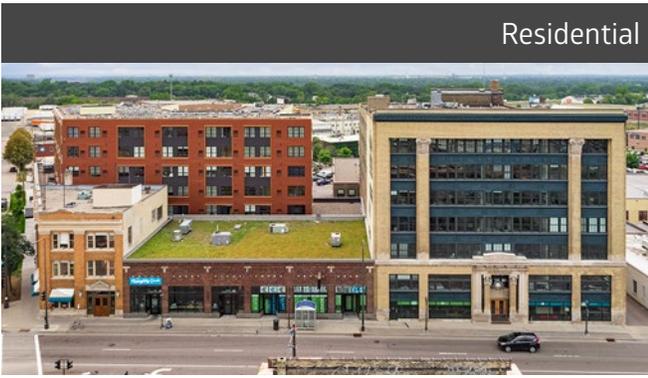
C&E Flats finished the year at 97% occupancy, and continues to serve as collateral for the Fund's line of credit. Despite muted rent growth in the market and at the property, C&E Flats maintained high occupancy with minimal concessions. The Fund remains actively engaged with property management to support strong relationships with residents and commercial tenants. Total investment-level net return in 2025 was 4.3%, driven by a 5.0% income return and partially offset by -0.7% appreciation.*

The Fund will focus on maintaining high occupancy and resident retention while positioning the asset for a future sale.

It should not be assumed that recommendations made in the future will be profitable or will equal the performance described herein; please refer to the Property Portfolio Summary for a full listing of all properties held by the Fund.

** Please see page 16 for important information regarding the methodology for calculating the properties' investment-level net returns.*

Residential



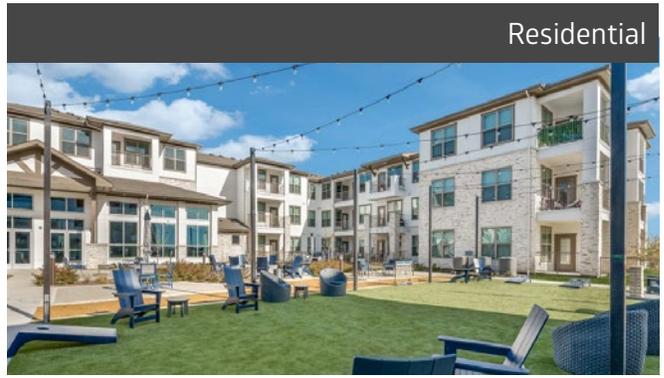
C&E Lofts

2410 University Avenue, St. Paul, MN 55114
Acquired May 2016

C&E Lofts concluded the year at 96% occupied, consistent with 95% occupancy at year-end 2024. Despite subdued rent growth at both the property and in the broader market, C&E Lofts sustained high occupancy with limited concessions, highlighting its solid competitive position. Along with Flats, C&E Lofts continues to serve as collateral for the Fund's line of credit. During 2025, the property delivered a 6.7% total return (investment-level, net), comprised of a 5.9% income return with the balance attributable to capital appreciation.*

The Fund's main focus for the coming year is to maintain the high level of occupancy and monitor the capital markets in preparation for a future sale.

Residential



The Grand at Saginaw

1451 Belt Mill Parkway, Saginaw, TX 76179
Acquired September 2021

The Fund completed construction of the project in 2024. During 2025, the property ended the year 94% leased, up from 84% in 2024, achieving stabilization at approximately 95% occupancy. The project achieved a total return of 7.1% for the year, driven by an appreciation return of 5.8%, which resulted from the property reaching its stabilized occupancy level.*

Damages related to the improperly installed stone facade remain outstanding. The Fund, in collaboration with its partner CLX, continues to actively pursue all legal remedies against Wade Construction. Once these issues are resolved, the Fund may explore exiting the investment.

Residential



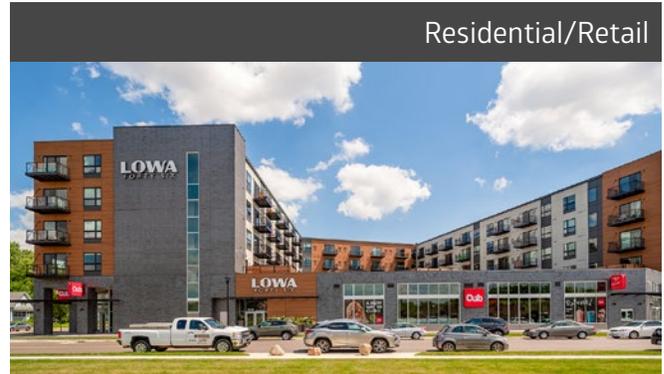
La Morada at Weston

1201 Fairlake Boulevard, Weston, FL 33326
Acquired March 2000

The primary objective for La Morada in 2025 was to complete the stair and landing replacement project. Most buildings were completed, with the remaining two expected to finish in Q1 2026. Occupancy remained suppressed due to construction, and management will focus on re-leasing down units and stabilizing operations once the project concludes. This, with elevated insurance costs, resulted in an income return of 0.8%, while cost overruns and lower market rents led to a -5.8% appreciation return.*

In the first half of 2026, the Fund will focus on stabilizing operations and occupancy while evaluating near-term capital needs.

Residential/Retail



Lowa46

3939 E 46th Street, Minneapolis, MN 55406
Acquired May 2018

Lowa46 ended 2025 at 95% occupancy, consistent with year-end 2024. Strong community engagement, driven by frequent resident-led events, contributed to a notable increase in retention from 54% to 64%. The property generated a 5.6% total return (investment-level, net), with solid income returns partially offset -0.5% capital appreciation.*

While rent growth is expected to be modest given current market conditions, the Fund plans to position the asset for sale in preparation for an improvement in capital markets. The Fund will evaluate a short-term refinance of the current loan or pay it off upon its January 2027 loan maturity.

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** Please see page 16 for important information regarding the methodology for calculating the properties' investment-level net returns.*

Residential



Plantation Colony

8210 SW 12th Street, Plantation, FL 33324
Acquired July 2002

Plantation Colony continues to post high resident retention despite softer market rent growth in South Florida. The Fund completed several capital projects in 2025, including electrical panel upgrades. Insurance costs dropped considerably during the mid-year renewal, though they remain elevated compared to historical levels. Yield rates remained largely constant, but lower rents resulted in a -7.9% appreciation return, while elevated insurance costs constrained the income return to 2.9%, resulting in a -5.2% total return for 2025 (investment-level, net).

In 2026, the Fund plans to complete parking lot seal coating and striping, while property management remains focused on resident satisfaction and maintaining high retention rates.

Industrial



Fullerton Industrial

675 S Placentia Avenue, Fullerton, CA 92831
Acquired December 1995

Fullerton Industrial ended 2025 at 100% occupancy. The property boasts over six years of weighted average lease term, providing stability via long-term leases with two credit tenants. Capital markets showed signs of stabilization in 2025 following the deterioration experienced in 2024, though the leasing market remained challenged. Yield rates stabilized, but market rents continued to trend downward throughout the year, reflecting continued softness in user demand. This dynamic led to a negative 0.9% appreciation return, which was offset by a 5.3% income return.*

Orange County industrial fundamentals remain supported by the region's strategic location, robust consumer base, and limited new supply, providing a foundation for sustainable market recovery.

Industrial



Georgia Trade Center

2000 Trade Center Boulevard, Savannah, GA 31326
Acquired November 2021

Georgia Trade Center is 100% leased to Lowe's Companies, Inc. through November 2033. While developers continue to build new supply in Savannah, construction levels remain below the peaks of 2023-2024. Well-located, functional product is performing better than larger buildings situated further from the port, facing longer lease-up timelines. Yield rates for bulk industrial product with credit tenants in the Southeast stabilized during the year.

With yield rates unchanged, market rent growth drove the appreciation return of 4.2%. Coupled with an income return of 5.1%, Georgia Trade Center delivered a total investment-level net return of 9.4% in 2025.*

Industrial



Highland Business Park

300 Highland Drive, Westampton, NJ 08060
Acquired June 1999

Highland Business Park remained 100% leased through 2025, unchanged from the previous year. While yield rates remained steady, Highland Business Park benefited from its current leases rolling to higher market rents.

The Fund completed a major parking lot renovation project in Q4 across all five buildings to maintain institutional quality throughout the portfolio. In 2026, four tenants totaling 100,000 SF or 17.6% of the total property are expiring. The Fund has commenced renewal negotiations and/or marketing efforts for all. The asset concluded 2025 with a total return of 6.8%, of which income accounted for 4.6% and appreciation return accounted for 2.1%.*

It should not be assumed that recommendations made in the future will be profitable or will equal the performance described herein; please refer to the Property Portfolio Summary for a full listing of all properties held by the Fund.

** Please see page 16 for important information regarding the methodology for calculating the properties' investment-level net returns.*



Industrial

Market Street Industrial

15130-15150 Market Street, Houston, TX 77015
Acquired September 2022

Market Street is fully leased to two, third-party logistics firms, Lone Star Integrated Distribution and Gulf Stream Marine. The property generated a total return of 18%, driven by 14% appreciation.* During the year, the Fund extended Gulf Stream Marine on a seven-year lease, contributing significantly to the property's appreciation. The rail-served property continues to benefit from strong Houston port activity.

In 2025, the Fund advanced plans to develop an additional rail spur and transload road, which were under review by Harris County and the Port Terminal Railroad Association. The project is expected to be entitled by early 2026 and marketed to a standalone user for additional revenue.



Industrial

Meadowville Distribution Center

1400 Digital Drive, Chester, VA 23836
Acquired March 2023

The property is 100% leased through January 2027 to CCBCC Operations, LLC, a wholly owned subsidiary of Coca-Cola Bottling. Strong demand in the Richmond industrial market has driven significant rent growth and reduced releasing risk, lowering the discount rate and strengthening the valuation. Investment-level net total return for the year reached 15.2%, with 9.1% driven by appreciation, reflecting both the market's robust fundamentals and the compression in the discount rate.*

Looking ahead, the Fund will maintain the property to institutional quality standards while awaiting clarity on the tenant's renewal intentions as the lease approaches expiration.



Industrial

South Logistics Center

2215 South 7200 W, West Valley City, UT 84044
Acquired August 2023

South Logistics Center remained 53% leased, with System Beauty, a third-party logistics firm, as the sole tenant. The property ended the year with a -3.4% total return, driven by -5.5% appreciation.* Soft demand in Salt Lake City's bulk distribution sector, driven by five years of supply growth, pressured market rents and the property's valuation.

Leasing activity picked up during the fourth quarter, and prior to year-end, the Fund agreed to economics with Black Diamond, an outdoor equipment and apparel company, to lease the remaining vacancy. The lease was subsequently signed in January 2026 and the tenant will take occupancy mid year.



Industrial

Waterville Industrial

7828 Waterville Road, San Diego, CA 92154
Acquired December 2022

Waterville Industrial remains 100% leased to PIP. Originally scheduled to vacate in September 2025, the tenant executed successive extensions, pushing lease expiration to June 2026 to accommodate its relocation to Tijuana. The extensions drove strong 2025 performance, with a 9.7% appreciation return and 4.0% income return, delivering a total return of 14.1%.*

A key milestone was achieved with San Diego Gas & Electric's approval of a power upgrade. Leasing demand in Otay Mesa remains soft, particularly given heavy exposure to U.S.-Mexico supply chains. Upon completion of renovations, the Fund expects improved marketability and ability to attract quality tenants.

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Industrial

Westport Industrial Portfolio

11418-11446, 11401-11445 Moog Dr.; 10986 N Warson Rd.; 2130-2132 Kratky Rd.; 10602-10610 Trenton Ave; St. Louis, MO
Acquired September 2017

Westport ended the year 95% leased, consistent with the prior year. The Fund executed 117,000 SF of leasing, including a 14,000 SF lease with GRS Appraisal and the re-leasing of 33,000 SF to Archkey. The former Oregon Wine space (41,000 SF) was re-leased to 5 Horizons Group, which will also expand into an additional 29,000 SF in May 2026.

The Fund has regained control of the 114,000 SF Nova Marketing suite following lease non-compliance and is aggressively marketing the space. Total return for the year was 4.6% (investment-level, net), consisting of a 5.3% income return and -0.7% appreciation return.*



Office

150 Pierce Road

150 Pierce Road, Itasca, IL 60143
Acquired May 2015

150 Pierce ended 2025 at 88% occupancy. The Fund executed an early renewal with anchor tenant, Jewel Osco (69,000 SF), extending lease maturity to November 2034. In December 2025, Livingston International exercised an early termination, reducing occupancy to 77%. The Fund and its JV partner have identified 150 Pierce as a strategic disposition opportunity and are actively marketing the vacant space to stabilize occupancy ahead of a formal marketing process. In addition, the property loan was extended to April 2026, and refinancing options are under evaluation.

Total return was -1.0%, driven by a 3.7% income return and -4.7% appreciation return amid weak fundamentals in the submarket.*



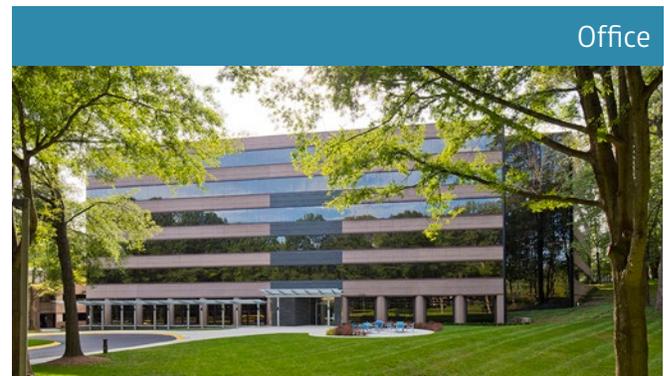
Office

District 237

250 Holger Way, San Jose, CA 95134
Acquired September 2020

District 237 remains fully leased to CDK Global, Inc. through March 2027, though the building remains available for sublease. The property received a 15.1% total return, driven by a 10.3% income return and 4.5% appreciation.* Value increased due to the Fund's investment in expanded power capacity, which is projected to support materially higher market rents than traditional office space.

The Silicon Valley market is showing improvement due to growing AI-company demand. The Fund is upgrading power infrastructure, positioning District 237 to serve power-intensive users. The project is expected to advance through 2026, with the addition of at least 4 megawatts by 2027.



Office

Fairview Park

3160 Fairview Park Drive, Falls Church, VA 22042
Acquired November 2017

Fairview Park ended 2025 at 37% leased. Leasing conditions in Washington, DC, remained challenging, particularly among government contractors and agencies affected by policy and budget constraints. Yet, the Fund is engaged in discussions with two prospective tenants, including a full-floor lease with a medical provider and multi-floor space from a government contractor. The property generated a -9.8% total return, driven by -8.3% appreciation from cap rate expansion and a -1.6% income return.*

The Fund plans to remain focused on leasing while monitoring office demand to inform asset management and marketing efforts.

It should not be assumed that recommendations made in the future will be profitable or will equal the performance described herein; please refer to the Property Portfolio Summary for a full listing of all properties held by the Fund.

** Please see page 16 for important information regarding the methodology for calculating the properties' investment-level net returns.*



Office

Flying Cloud

7500 Flying Cloud Drive, Eden Prairie, MN 55344
Acquired April 2016

Flying Cloud occupancy was 86% at year-end, unchanged from 2024. Major capital projects, including replacement of the cooling tower and building automation system, are largely complete, with final commissioning expected in the spring. Amenity spaces continue to support tenant satisfaction and retention. The property generated a 5.8% total return in 2025, comprised of 3.3% appreciation from new leasing and rising rents and a 2.4% income return.*

In 2026, the Fund plans to position the asset for sale or refinance by leasing remaining vacant space, ensuring systems operate optimally, and evaluating a loan extension ahead of the May 2026 maturity.



Office

Nottingham 7941

7941 Corporate Drive, White Marsh, MD 21236
Acquired October 2017

Nottingham 7941 ended the year fully vacant after Prometric's three-month lease extension expired in October 2025. The Fund is currently under contract with a potential owner/user to purchase the property.

The total return for Nottingham in 2025 was 9.7% (investment-level, net) driven by a strong 11.4% income return and offset by a negative 1.6% appreciation return.*



Retail

Charter Colony

200 Charter Colony Parkway, Midlothian, VA 23114
Acquired February 2022

Charter Colony remained fully leased throughout 2025, unchanged from end of year 2024. The property is anchored by Publix with over 14 years of remaining lease term. During the year, Black Swan Hair Salon and Marco's Pizza both extended their lease terms. In 2025, the property achieved a 21.5% total return (investment-level, net), driven by 12.8% capital appreciation and a 8.0% income return supported by full occupancy.*

In 2026, the Fund aims to maintain tenant relationships and continue to preserve the asset's institutional quality.



Retail

M Street

2901 M Street NW, Washington, DC 20007
Acquired July 2018

M Street ended 2025 at 20% occupancy, down from 68% at year-end 2024, following the two tenant move-outs. Despite these departures, property cash flow increased due to Wells Fargo's higher lease rate, effective August 2025.

The Fund has engaged Lincoln Property Company—already successfully managing Nottingham 7941 and Junction Drive—to oversee M Street. The Fund is actively marketing available suites, with two Letters of Intent under discussion for the retail space. The property delivered a 2.9% total return this year: 2.1% from income and the remainder from appreciation.* In 2026, the Fund will focus on securing tenants for the current vacancy.

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Retail



Mansfield Stop & Shop

377 Chauncy Street, Mansfield, MA 02048
Acquired October 2020

The Mansfield Stop & Shop is fully leased to Stop & Shop through March 2023. The Fund initiated an off-market disposition process in early 2025, but subsequently withdrew from the sale following market feedback. The decision reflected broader capital market headwinds at the time, coupled with ongoing operational challenges affecting Stop & Shop, including store closure announcements. Total return for 2025 was 7.4% (investment-level, net), with 6.4% income return and 0.9% appreciation return.*

Retail



Norwell Stop & Shop

468 Washington Street, Norwell, MA 02061
Acquired August 2022

Norwell Stop & Shop is a stand-alone neighborhood grocery store totaling 59,519 square feet. Stop & Shop leases 100% of the building through July 2032. Similar to Mansfield Stop & Shop, the Fund explored an off-market disposition process for Norwell Stop & Shop. This store has faced declining sales due to competition within the submarket. The property ended the year with a 1.0% total return (investment-level, net), driven entirely by the property's 5.7% income return and offset by a negative 4.5% appreciation return.*

Retail

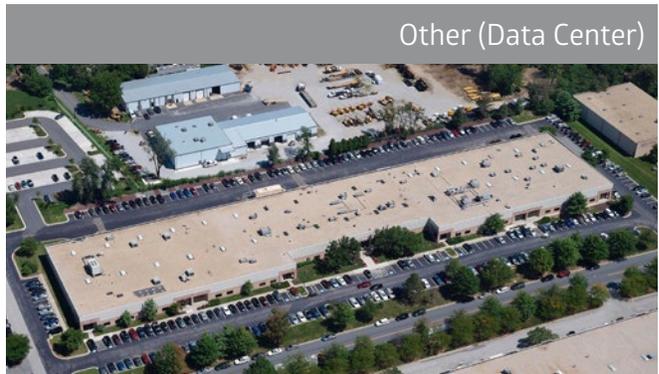


Shoppes at Knightdale

216 Hinton Oaks Boulevard, Knightdale, NC 27545
Acquired July 2019

Shoppes at Knightdale was 94% leased at year-end and entered 2026 fully leased following the execution of a Barnes & Noble lease in early January. Strong investor demand for power and retail centers in high-growth Southeast markets is compressing yield rates and drove a 9.7% appreciation return. Combined with an 8.6% income return, the property delivered a total return of 18.9% for the year.* The Fund is working with its JV partner to deliver the space to Barnes & Noble for a late summer opening. With the center now fully leased, the Fund will evaluate refinancing the existing debt at a lower cost or a potential sale.

Other (Data Center)



Junction Drive

9020 Junction Drive, Annapolis Junction, MD 20701
Acquired December 2019

Junction Drive is 100% leased to Northrop Grumman, a major American aerospace and defense technology company, through January 2032 with annual 3.5% rent increases. Market rents remain higher than in-place rents. The property's 12.0% total return (investment-level, net) is a result of market rent growth for flex industrial space in the submarket with a long-term credit tenant. The total return is composed of a 5.3% income return and 6.4% appreciation return.*

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Please see page 16 for important information regarding the methodology for calculating the properties' investment-level net returns.

Other (Data Center)



Perimeter East Data Center

40 Perimeter Center East, Dunwoody, GA 30346
Acquired May 2017

Perimeter East remains vacant. The Fund expected to secure a buyer in 2025 but faced delays in receiving a formal letter from Georgia Power on the scope and timing of a potential power upgrade. Several prospective buyers expressed interest in the second half of the year but ultimately withdrew. The Fund is now working with another potential buyer. If this does not proceed, the property will be marketed through an investment sales broker.

The property generated a 12.1% appreciation return from insurance proceeds, partially offset by a negative 6.1% income return from vacancy and operating expenses, resulting in a total return of 5.6% for 2025.*

Other (Data Center)



West Willows Technology Ctr

8739 148th Ave NE, Redmond, WA 98052
Acquired September 2025

The Fund acquired the 155,830 square-foot R&D data center located in Redmond, WA, in late 2025. The property is fully leased to AT&T through August 2027, which uses the facility as a telecom data center and for cellular R&D operations. The property offers 6.5 MW of power, scalable to 7.3 MW, making it well-suited for technology users that require power.

The property achieved a 2.8% total return in 2025 (investment-level, net), almost entirely due to a 2.7% income return generated during the limited time the Fund has owned the investment.* Going into 2026, the Fund will work to extend AT&T's lease.

Self-Storage



El Dorado Self-Storage

Latrobe Rd and Suncastr Ln, El Dorado Hills, CA 95762
Acquired August 2025

El Dorado Self-Storage is a 227,327 square-foot, to-be-built self-storage facility located in a suburb east of Sacramento, CA.

The Fund and its partner closed on the land in Q3 2025 and plan to break ground in Q2 2026, following recent HOA architectural review committee approval.

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Bailard Real Estate Team



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BREF Co-CEO
Head of Portfolio
Management



James Pinkerton
BREF Co-CEO
Head of Investments



Alex Spotswood
Senior Vice President



Neha Desai
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Geoffrey Esmail
Director



Juan Rascon-
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Dipika Shull, CPA
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Ben Lathrop
SVP, Director, Business
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Clayton Hagy
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Fund Board of Directors

Brad Blake, Chair, Independent Director
Evelyn Dilsaver, Independent Director
Geoffrey Dohrmann, CRE, Independent Director
Sonya Mughal, CFA, Director
James Pinkerton, Director
Preston Sargent, Director

Risks and Disclosures

The Fund invests primarily in real estate. As a result, an investment in the Fund entails significant risks that are customarily associated with the development and ownership of income-producing real estate, including illiquidity, changes in supply and demand, and inexact valuation. The Fund may be leveraged. An investor may lose all or a substantial portion of the investment. There is no assurance that the Fund will achieve its investment objectives. For a more thorough discussion of the risks involved in making an investment in the Fund, please refer to the Offering Memorandum. The Fund's shares fluctuate in value and may be illiquid due to a lack of a right of redemption, the lack of a secondary market, and restrictions on transfer. Shares of the Fund, if offered, would be available for purchase only by accredited investors who could bear a loss and hold shares of the Fund indefinitely. This information does not purport to be complete and is qualified in its entirety by, and an offer or solicitation will only be made through, a final Confidential Offering Memorandum.

This summary is confidential and proprietary. It has been prepared for the use of existing shareholders of the Fund and prospective accredited investors; it does not constitute an offer to sell or buy any securities and may not be used or relied upon in connection with any offer or sale of securities or for any other purpose. The information provided in this report with respect to the Fund is as of December 31, 2025, unless otherwise noted. The Fund undertakes no duty to update any of the information contained in this report. The information in this report includes forward-looking statements, including statements regarding the outlook for the real estate market generally and the individual markets for the properties, the performance of the individual properties, and the Fund's business strategy and investment objectives. These statements involve a number of risks and uncertainties, and actual results may differ materially from these forward-looking statements. Please refer to the Confidential Offering Memorandum of the Fund for further information regarding these risks.

Gross-of-fee and Net-of-fee returns are calculated using NCREIF PREA's time-weighted return methodology quarterly. Starting from June 30, 2023, the Fund calculates the gross-of-fee returns and net-of-fee returns to reflect the inclusion of fund-level expenses such as the operating management fee the Fund pays to Bailard, Inc., appraisal, fund administration, legal, audit, tax, and other administrative expenses. We applied this change retroactively to all prior returns presented above. Net-of-fee returns are calculated by netting down the gross-of-fee returns by the actual investment management fee paid to Bailard, Inc. The investment management fee schedule for the Fund, which is included in the Real Estate Composite I, is 0.85% on the Fund's net asset value up to and including \$750M and 0.75% on the Fund's net asset value above \$750M. If the Fund's uncommitted cash exceeds 10% of the Fund's net asset value, the fee shall be reduced by an amount equal to the product obtained by multiplying 0.425% by the excess cash amount. The underlying performance results of the Fund reflect the impact of leverage, interest, and dividend income from short-term cash investments and publicly traded real estate investments, as applicable. Capital expenditures, tenant improvements, and lease commissions are capitalized and included in the cost of the property; are not amortized; and are reconciled through the valuation process and reflected in the appreciation return component. The Fund's income return is not the distributed income to the investor, and the Income Return is presented gross-of-fee and after Fund expenses.

The NCREIF gross return methodology is as follows: the total gross return is equal to net investment income plus appreciation divided by the beginning net asset value plus time-weighted external contributions less time-weighted external distributions ("Time-Weighted Denominator"). With respect to income and appreciation, the NCREIF methodology for net income return is equal to net investment income divided by the Time-Weighted Denominator, and net appreciation return is equal to appreciation divided by the Time-Weighted Denominator. Returns shown are inclusive of dividends reinvested as they are accounted for as an external contribution upon reinvestment. Returns for periods greater than one year are annualized. Annual returns are time-weighted rates of return calculated by linking quarterly returns. Income and appreciation returns may not equal total returns due to compounding effects of linking quarterly returns. From inception through the second quarter of 2009, all properties were appraised annually; from the third quarter of 2009, all properties have been appraised quarterly. Recent acquisitions are carried at cost until first appraisal. The Fund's Board of Directors determines the value of properties based on input from independent appraisers and all levels of the Fund management. Securities, mortgages payable, derivatives, and cash and cash-equivalent investments held by the properties and Fund are marked to market on each valuation date. The Fund's Inception Date is April 20, 1990. The NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE) is a fund-level, time weighted return index reporting the performance results of various open-end commingled funds pursuing a core private real estate investment strategy and qualifying for inclusion in the NFI-ODCE based upon certain pre-defined index policy inclusion characteristics. Like the Fund, the NFI-ODCE performance results reflect leverage and the impact of cash holdings and joint ventures (i.e., returns reflect each contributing fund's actual asset ownership positions and financing strategy). As the Fund has done in the past, some NFI-ODCE funds may invest in real estate securities. The use of leverage varies among the funds included in the NFI-ODCE. The NFI-ODCE (EW) shows what the results would be if all funds were treated equally, regardless of size. Like the Fund's presentation, the Income Return is shown gross-of-fee. Per NCREIF, fees represent investment management advisory fees. To the extent fees are paid outside the fund, a deemed contribution and fee expense is recorded to capture the impact of fees in the net of fee returns. NCREIF defines gross and net of fees as follows:

- Total Return, gross of investment advisory fees, based on changes in published market value Net Assets. The data contributing members provide all fund level returns as well as other pertinent data. NCREIF does not calculate individual fund returns but does calculate the overall aggregated Index return based on invested capital.
- Total Return, net of advisory fees. Net of fee returns are only presented at the Index Aggregate level to provide a proxy for the average advisory fees charged. Fee structures not only vary across managers and funds but also within a fund as fees may be negotiable and scaled based on the size of an investors' investment.

The NFI-ODCE data, once aggregated, may not be comparable to the performance of the Fund due to current and historical differences in portfolio composition by asset size, geographic location, property type, and degree of leverage. The NFI-ODCE is unmanaged and uninvestable.

The S&P 500 Index is a commonly used U.S. stock index of 500 large capitalization stocks. The Dow Jones Industrial Average is an index that tracks 30 large, publicly owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ. The NASDAQ 100 Index is a modified capitalization-weighted index comprised of 100 of the largest non-financial domestic and foreign companies listed on the National Market tier of the NASDAQ Stock Market, Inc.

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Past performance is no indication of future results. All investments have the risk of loss.